



# Gilts in never-never land

BY ANTHONY HARRIS

THE GOVERNMENT'S amazing new attempt at funding on the never-never may get off to a halting start, but at least it is one in the eye for people such as myself who are constantly accusing the authorities of being afraid to innovate. Not for the first time, the Bank of England has its critics caught between admiration, laughter and despair: the balance between these emotions must be left to the reader to determine, as Jane Austen once evasively put it.

First, the administration. The idea of selling gilts by instalments has a good deal more in it than meets the eye, and officials whose dearest wish is to preserve orderly markets must be wishing they had thought of it before. From the point of view of monetary control, it is a smoothing operation, and that is how it has been presented: it enables the Bank to take advantage of bullish sentiment without sucking all the money out of the system almost overnight as occurred with the last long tap stock. That may help to prevent people like Greenwells circulating nasty remarks to the effect that the Bank is, through over-caution, engineering a major recession.

## Good thinking

Forestalling criticism is the least of its merits. By smoothing out the money flows, it reduces pressure on short-term interest rates and thus makes it easier to achieve a yield-curve which rises sharply from money-market rates to long-term rates. By thus imposing a bigger income penalty on those who remain uninvested, it may make it possible to sell a bigger volume of stock on the instalment plan than could be achieved through tap stocks. Since the yield curve offers the chance to sell stock without employing Duke of York tactics and trying to organise a perpetual bull market interrupted by periodic crises, anything which suggests that the Bank is now actively interested in achieving such a curve by letting money rates fall is most encouraging. It has applied a firmer brake to long rates than to money rates, and that is suggestive of good thinking.

Finally, of course, the instalment sales plan offers the opportunity to make better use of bullish sentiment whenever it does appear. By getting the institutions to commit their incomes for three months in advance, it makes it possible

for the authorities to sleep a little more easily. Assuming that the issue is a success—as soon as it is clear that we are to have a relatively stable government—it is now rather less likely that Mr. Arthur Scargill will cause a sudden jump in the money supply whenever he strikes a hard bargaining position.

However, this argument looks on the funding problem as a purely domestic concern, and of course foreign funds and the exchange value of sterling are also at stake. It is in its efforts to square this particular circle that the new policy looks more than a little comic.

## Interest

First, the whole idea that it is necessary to take special steps to make British Government stocks unattractive to foreign investors is decidedly odd. Do our officials really believe that foreign investors now take such an absurdly rosy view of our future that they must be protected from their own folly? It seems likelier that they are simply afraid of foreign investors taking a profit in the gilt market. Considering the losses they have suffered, this is a mean attitude.

However, there is no need to get too angry, because even with the worst of intentions, the new disallowance of tax deduction simply will not achieve what it is meant to achieve. There are, after all, some billions of pounds worth of tax-exempt stock held by British investors who will be only too pleased, for a consideration, to swap their holdings for a new stock which, so far as they are concerned, is just as good. Market reports have suggested that the latest moves had already stimulated a good deal of overseas buying interest. Any trader knows that "Buy now while stocks last" is an effective sales slogan. Our monetary policy is not, of course, run by traders.

What does inspire something near despair, though, is the appearance of yet another long-dated stock bearing a high coupon. Officials may well be cynical about the prospect of reducing inflation quickly, but surely it is worth thinking about the possibility that within much less than 20 years we will get inflation down to a point where 123 per cent looks a decidedly burdensome coupon. There could be a grim reckoning with the taxpayers of the future.

## RACING

BY DOMINIC WIGAN

# Hyver Hill seems in good form for opener of flat season

FLAT RACING gets under way at Doncaster to-day, where in addition to all six races carrying £2,000 or more in added prize money, interest will be added to proceedings by the two-year-olds in training sales, sponsored by Playboy Bookmakers.

For those not involved in the bloodstock world, the highlight of the day will surely be the £6,000 Tote Spring Handicap, which has, as anticipated, attracted a large field of sprinters headed by the Harry Wrigg-trained Claddagh.

Here I anticipate victory for the Seven Barrows representative, Region. This lightly-weighted colt by Real out of the Reiko mare, Lushby, improved steadily with racing in his first year and ended the campaign with an emphatic victory in the Coventry Stakes at Ayr.

Running on strongly in the closing stages of that six-furlong event, Peter Walwyn's charge had 1½ lengths to spare over Muster Lane, whom he was meeting on level terms. The heavily-backed favourite, Viscount, was a short head away third, and the form reads well.

Four of the runners for the Leger Way Handicap have been in action over hurdles in recent weeks and it seems likely that two of them, Shuwaiman and Major Role, will come in for a good deal of support.

Provided that he is kept in a handy position by champion jockey Pat Eddery, I expect Region to prove too good at the weights for the ante-post favourite, Aspect.

After a hair-raising finish, Dominic Wigan finished runner-up in the Sporting Life winter naps competition which ended yesterday. He gave 30 winning naps for a final profit, to a daily £1 stakes, of £14.15.

For those seeking a likely outsider, with each-way prospects, Bedford Lodge is recommended. This Newmarket challenger from Neville Callaghan's yard put up several good performances last term and is reported to be well forward.

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The last-named, who took some time to find his form last season, looks to be leniently treated with only 8st 1lb, and I am prepared to see him just get the better of his younger Flindon rival, from whom he receives three pounds.

Whatever their fate with Shuwaiman, Ryan Price and his stablemate, jockey Brian Taylor should have at least one winner, for the good-looking Porto Belli colt Hyver Hill seems a cut above his five opponents in the opener, the Silver Jubilee Stakes.

Later in the day, another well-fancied Price runner, Soldier Rose, seems sure to make his presence felt in the Will Scott Handicap, in which my narrow preference is for the consistent Breeze Wagon.

DONCASTER  
2.00 Hyver Hill\*\*  
2.30 Major Role  
3.00 Region\*  
3.30 Love from Verona  
4.00 Great Appeal\*  
4.30 Breeze Wagon.

## Scientist calls for ban on artificial colouring of food

BY STUART ALEXANDER

ARTIFICIAL colouring of foods, a subject under study by the Government, should be banned, said Mr. Nathan Goldenberg, scientific adviser to Marks and Spencer and a former member of the Food Additives and Contaminants Committee, yesterday.

Introducing a book published by the British Nutrition Foundation on additives and the safety of foods, Mr. Goldenberg specifically mentioned colourings in baby foods and some fresh fruits.

Babies did not care what colour their foods were, he said—the colours were there to please the mothers.

Although the colours had not been proved harmful and were drawn from a Government approved list, Mr. Goldenberg said they were entirely unnecessary. He also cited the cases of green colouring added to canned and frozen peas and red to such things as strawberry jam.

Although marketing tests with products that were their natural colour had shown consumer disapproval and suspicion, Mr. Goldenberg felt that a ban, backed by legislation, would lead to a change in consumer attitudes over one or two years.

The booklet, however, defends the use of flavour and preservative additives. Without them, it says, the shelf-life of some products would be severely curtailed and, in the case of flavours, were often no more than the extension of natural flavours with the same chemical structure.

Why Additives? The Safety of foods, British Nutrition Foundation, 15 Belgrave Square, London SW1.

Mr. Goldenberg also called for

more strict analysis of the levels of certain toxic substances found naturally in foods. Imported animal feeds already had to be examined and the process could be extended to foods for human consumption.

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## Julius Caesar

Julius Caesar's Caesar bestrodes the stage like a Colossus, as nobly as ever, but in several places in the auditorium, as attentively silent as choirboys at a church service. The characterisation is as adroitly done as any in the play, though it is not as historically accurate as it is in the film.

Nor is there a lot in the more important characters, who can make poetry of the lines but not always meaning. Mark McManus as Mark Antony cannot achieve even poetry; I have never heard such an ugly performance in my life. He wears a uniform of neutral period, and Caesar's will, when he pulls it from beneath his belt, is a single sheet of Bastion Bond.

The stage opens out a little for the battlefield; Brutus' tent is adequately represented by a circle of canvas on the ground. The quarrel scene goes well enough, though I constantly found myself surprised by intonations. "I may do that I shall be sorry for," surely, calls for the reply "You have done that you should be sorry for," not "You have done that." Brutus' report of his wife's death must be "Portia is dead," not "Portia is dead," for Portia was not in the conversation before.

The battle scenes themselves consist mostly of short engagements at section strength, strengthened by projections on a

semicircular helmet above the stage, used at other times for more symbolic effect with close-ups of Caesar or of engraved tablets put up by the SPQR or of beautiful worn stonework. John Burn is the designer, but these projections are the work of Michael Chilvers.

Gavin Grainger's Caesar sounds well; Ian Charleson plays a truly august young Octavius. There is a telling little sketch of Caius Ligarius by Norman Claredge. On the whole, though, there is a curious lifelessness about the production. Mr. Schlesinger must call in

Pygmalion. Michael Chilvers emerges from the assassin's lair.

B. A. YOUNG

Royal, Glasgow

## Boulevard Solitude

Once Scottish Opera relief. The lighting is white, the guests of the Royal State Opera in the darkness in the opening scene in the railway station may have been unintentional. Boulevard Solitude is an opera-ballet, of a kind, dancers usurping the functions of the chorus, who sing off-stage. Egon Madsen has provided choreography for some members of the Stuttgart Ballet. Except for the two boys on a trip and the messengers-girl in the den-den, who have small solo parts and do them well, both movements and dancing are competently unobtrusive.

Sylvia Geszty, interesting artist and outstanding Zerbinetta, has the slender, petite physique for Mason with a bird-like sharpness that can melt into tenderness. The vocal line does not always lie comfortably for her—at this early stage Henze had more enthusiasm for bel canto than experience of writing gratefully for voices. The male leads were also unusually convincing physically. Rüdiger Wöhlers, a well-voiced tenor who was Lensky in Götz Friedrich's *Eugenie Onegin* at Zürich last summer, sang Armand; this role also has a high tessitura, but Mr. Wöhlers maintained sympathy for a depressingly weak character. The more effective part of Lescant was done by Wolfgang Schöne with a laconic brutality that never over-stepped the mark.

Löwe, father and son, a grotesque elderly satyr and a tiny, young, bearded, were finally captured by Martin Fink and Karl-heinz Eichler. House as producer has developed the double gift of winning subtle acting from his singers and of welding them into a whole. At the end, when Armand, alone and miserable, collapsed after a last sight of Manon as prisoner, the approach of a posse of menacing, totalitarian guards makes a fine curtain but is really gratuitous.

The most striking single feature of this intelligent, distinctive production was the play of the company's orchestra under the young American conductor, Dennis Russell Davies. Manon's affection for his recently praised here for his genuine but she is Pelleas in the Netherlands. His away to the easy life touch, light but firm with the by the rich Lalique singers, was especially illuminating. By the time Manon, of panic starts the which took on much greater importance than usual. Some of has become a drug, them, for example those after the second scene (the attic bed-room) and the fifth (Junkies) a new and valuable gained what can only be described as a kind of moral (not black, for a gravity not apparent in any which shows up the con previous performance. I have heard of this opera. Now one wants to hear Mr. Davies' fruit machines in bring the same sensitive ear and costumes like and restraining hand to other tough, tight-living Henze operas.

RONALD CRICHTON



Glenda Jackson and Peter Eyre in "Stevie" which opened last night at the Vaudeville Theatre

## Sadler's Wells Theatre

# La Bohème

by RONALD CRICHTON

The Royal Northern College of Music from Manchester opened a short season at Sadler's Wells on Tuesday with *La Bohème*. Regular readers of this page will remember that the opera wing of this college has astonished London with the high standard of the first season here some years ago and has reached a generally high standard since that visit. The house, though not as good as the Royal Northern College's *Rake's Progress*, *Aida*, or *Master Peter's Puppet Show*, Student productions of *Bohème* are not likely to be memorable.

It is not a fruitful field for original approach in production or design. Though youthful appearance is a help, here as in many other operas, there is no substitute in Puccini for good voices. The first two sets last night were a hasty rough and tumble, with the singer warming up and Neville Marriner (not often seen at the conductor's desk in an opera house) firmly in control but not yet compact enough for *Colline's* farewell, but the approach was right. Galloway Bell as Schaunard has light but telling timbre. He moves well but too much. Michael Holt's outdoor sets (the cafe scene) are probably the best of Peter Grimes and Peter Grimes. But there is just as much snobbery about cheap seats as about expensive ones.

Having started with compli-

ments I must add that the evening was not as remarkable as the college's *Rake's Progress*, *Aida*, or *Master Peter's Puppet Show*. Student productions of *Bohème* are not likely to be memorable. It is not a fruitful field for original approach in production or design. Though youthful appearance is a help, here as in many other operas, there is no substitute in Puccini for good voices. The first two sets last night were a hasty rough and tumble, with the singer warming up and Neville Marriner (not often seen at the conductor's desk in an opera house) firmly in control but not yet compact enough for *Colline's* farewell, but the approach was right. Galloway Bell as Schaunard has light but telling timbre. He moves well but too much. Michael Holt's outdoor sets (the cafe scene) are probably the best of Peter Grimes and Peter Grimes. But there is just as much snobbery about cheap seats as about expensive ones.

ing her line, the Musetta of Olga Gracely was sound on conventional lines. Lancelot Roberts sang Rodolfo more evenly while keeping the warmth he had shown earlier, the Marcello of Philip Joll (a baritone of imposing stature) grew vocally less unwieldy.

The fourth act confirmed the improvement. The remaining Bohemians established themselves: Flemming Schmidt's voice is not yet compact enough for *Colline's* farewell, but the approach was right. Galloway Bell as Schaunard has light but telling timbre. He moves well but too much. Michael Holt's outdoor sets (the cafe scene) are probably the best of Peter Grimes and Peter Grimes. But there is just as much snobbery about cheap seats as about expensive ones.

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## DUBTS OVER W. GERMAN RECOVERY

## Cabinet approves investment plan

BY ADRIAN DICKS

ST. GERMANY'S long awaited DM16bn. public investment programme was finally approved by the Cabinet today. Against a general decline of 6 per cent, export orders were 10 per cent down and those for capital goods for export were 14.5 per cent lower.

While too much should not be made out of one month's figures, the IFO institute of Munich re-again described by the Finance Minister, Herr Hans-Joachim, as being "not a package of cyclical measures, but a medium-term support programme."

Herr Hans-Friedrichs, the Economics Minister, alluded indirectly to the rising concern over the drift of the economy, even when he remarked that the programme would bring other things, offer a "certain protection against side risks."

His concern was given a particular focus on Monday, when industrial orders figures in-

sible, if companies once again take a more optimistic view of future developments and are ready to spend money than in the past few months. One factor that is expected to help improve this climate later in the year is a recovery in private consumption, which many economists regard as an almost certain consequence of wage increases that are rising faster than prices this year, higher and tax-free pensions and the release of up to DM20bn. of long-term savings.

In spite of its continued insistence that the public investment programme is not designed to provide short-term stimulus, the Government has been at pains to argue how much support it will in fact provide.

Herr Friederichs said today that in the four years 1977-80, it would add as much as DM30bn. to gross national product. Private estimates by the Finance Ministry have con-

## Italy move on flags of convenience

BY PAUL BETTS

ROME, March 23. THE ITALIAN Senate today passed a law that establishes a code of conduct for maritime agents operating in Italy on behalf of flags of convenience shipowners.

As already announced by the Government, the programme will concentrate on infrastructural projects intended to lay a basis for future economic growth. About a quarter of the total funds will be spent each on transportation projects, environmental improvement and water supplies, with occupational training, energy research and "environmentally compatible" energy supply taking up most of the remainder.

The Federal Government will provide about 60 per cent of the total with state and local governments putting up the rest. Two Opposition-controlled state governments, Bavaria and Baden-Wuerttemberg, have, however, complained that they are not getting a fair share.

## EEC Commission survives butter sale censure vote

BY ROBIN REEVES

MR. ROY JENKINS, the European Commission president, and his 12 Brussels colleagues survived easily the European Parliament motion of censure that was motivated by the Commission's long history of failing to fall like ninepins all over Europe, the Brussels Commission's mismanagement of the dairy sector and its discrimination against certain countries.

The debate was very much a re-run of the arguments already tabled by the European Progressive Democrat (EPO) group—an alliance of French Gaullist and Irish Fianna Fail MPs—in the wake of the row over the subsidised sale of 36,000 tonnes of butter to the Soviet Union.

The motion, which was tabled by the European Progressive Democrat (EPO) group—an alliance of French Gaullist and Irish Fianna Fail MPs—in the wake of the row over the subsidised sale of 36,000 tonnes of butter to the Soviet Union, was heavily defeated by 15 votes to 95 with one abstention. Had it attracted a two-thirds majority, the Commission's 13-man executive headed by Mr. Jenkins would have been automatically dismissed.

But in a poorly attended debate (the British Labour group had returned to London for the crucial Commons confidence vote), only the French Communists and a solitary British Conservative, Mr. Ralph Howell, MP for Norfolk North, added their support to the censure move.

Mr. Howell said his vote in Mr. Albert Bertrand, suggested

Andreotti  
averts  
MF crisis

BY PAUL BETTS

ROME, March 23.

FTER a series of meetings by leaders of the country's 11 political parties, Sig. Giulio Andreotti, the Italian Finance Minister, to-day agreed to have potential Government crisis on the terms set by the International Monetary Fund (IMF), on a further drawing of \$530m. Although both the Italian Communists and the Socialist parties, which are indirectly supporting Sig. Andreotti's minority Christian Democratic government through a policy of abstention in Parliament, repeated their opposition to a Government intervention in the cost-of-living wage fix, they have indicated they not plan to use the IMF to precipitate a Government crisis.

The IMF is insisting on a ceiling to 15 per cent in the inflation rate and a reduction of 16 per cent of the estimated 16 per cent rise in labour costs in year. The Government has proposed containing labour costs by shifting half the social welfare payments from employers to the treasury.

To finance this partial transfer of social charges, however, the Government has introduced increases in indirect taxation which it is proposing to "sterilise" from the wage "cost-of-living basket." This is intervention in the wage index which has provoked the opposition of the unions and the left-wing parties.

To-day, the unions organised a general strike in Rome and surrounding region, which brought the capital to a standstill. Although there were signs of a new eruption of political violence following the decision of the student movement to organise a separate demonstration, no incidents were reported.

By organising an autonomous demonstration, the students reaffirmed their split on the official trade union movement and the Communist party, which the students feel "betrayed" them.

## Froese fish

The Faroe Islands have made minor concessions to the EC on the implementation of fisheries conservation measures in their waters which will hit U.K. cod and haddock fishing, our Copenhagen correspondent writes. The measures were due to come into force on March 15, but will now take effect to-day. However, for the first week the Faroese authorities will refrain from strict enforcement, according to sources. They want to cut the cod and haddock catch to 1,000 tonnes between now and the end of April.

## Dutch discuss interim Cabinet

BY MICHAEL VAN OS

QUEEN JULIANA held talks with political advisers today on how Holland should be governed until the May 25 general election, following the resignation of the Socialist-Christian Democratic coalition government led by Prime Minister Joop den Uyl.

The Queen was understood to face two choices: either to ask the ten Socialist Ministers led by Mr. Den Uyl to act as an interim Cabinet, or seek the continuation of the full 16-man Cabinet as a caretaker government until the elections are over.

## Uncertain

The sudden collapse of the Cabinet just two months before a scheduled general election, at a time when almost everybody assumed it would manage to ride out its stormy four-year span in office, has made the outcome of the election more uncertain than ever.

A short and bitter election battle is likely to be followed by a long Cabinet formation period which could exceed even the record 160 days taken by the outgoing Socialist-dominated government. There is also strong chance that Socialists and Christian Democrats will not again be prepared to unite in a new Cabinet, which would leave the door open to the more customary Dutch coalitions of the past: Christian Democrats and the large opposition VVD party, which is in many respects a conservative party.

## Polarisation

In the last few months, however, Mr. Van Agt made a number of decisions which lost him a good deal of electoral support and which incensed his Socialist partners. In particular, his tough line against abortion law reform increasingly isolated him from his Socialist Democratic partners in the coalition.

Arising from the very nature of the parties involved, the period was characterised by an endless series of compromises on a range of issues, and, more importantly, the postponement of major subjects.

Whereas major progress has been made on one major goal of the Cabinet, its policy to level incomes further and to protect

Social Democratic parties. The

new electoral law today cleared the way for Prime Minister Adolfo Suarez to contest Spain's first democratic elections since 1936 from a position of power. The law, published in the official Gazette, governs elections in June for a two-house Parliament that will rewrite the constitution left by the late General Franco.

It bars Cabinet ministers—but not Mr. Suarez—from standing for Parliament. There has been growing speculation that Mr. Suarez would join the race to prevent the right wing Popular

Reuter

Party from winning and blocking his proposed political reforms. But some Spanish newspapers said today that a move would weaken the credibility of the elections.

The liberal *El País* said:

"Prime Minister Suarez's eruption into the electoral arena could mean an excessive occupation of the political terrain and could spoil the credibility of the elections. The citizens will be a judge of the electoral process or part of it."

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## AMERICAN NEWS

## Lockheed man agrees to help SEC probe

By Jay Palmer  
NEW YORK, March 23.  
LOCKHEED AIRCRAFT has warned its chief lawyer, Mr. John Martin, that he will be suspended from all his company duties if he continues to refuse to answer questions put to him by the U.S. Securities and Exchange Commission (SEC) about possible foreign and domestic payoffs.

Following this harsh ultimatum issued late last night, Mr. Martin announced that he would reluctantly co-operate with the SEC investigation which, according to court papers filed by the agency, is primarily concerned with the possibility that Lockheed may have made some illegal domestic political contributions.

In an ironic twist however, SEC lawyers subsequently stated that they were not prepared to accept Mr. Martin's help on this basis. A spokesman for the agency confirmed that Mr. Martin's testimony could be challenged and nullified as having been given under duress.

Lockheed, the large California-based maker of the Rolls-Royce powered L-1011 TriStar, has already admitted to paying out foreign "bribes" of some \$25m, but has consistently denied ever making such payments in the U.S.

The thrust of this new SEC study, revealed in the court documents, is into the possibility of domestic payoffs and the possibility that Lockheed may have laundered money by sending it overseas before bringing it back for domestic use.

**Kaiser under investigation**

Oakland, California, March 23.  
KAISER Industries Corporation has said that the Securities and Exchange Commission (SEC) has begun a "formal, private investigation" of several company matters, including a former practice of reimbursing selected employees for political contributions.

Kaiser Industries also said that the SEC investigation extended to similar practices by Kaiser Steel Corporation, Kaiser Aluminum and Chemical Corporation and Kaiser Cement and Gypsum Corporation. Kaiser Industries owns 56 per cent. of Kaiser Steel and 37 per cent. of Kaiser Aluminum and a Kaiser Cement. AP-DJ

## Young faces credibility test in S. Africa debate

BY OUR OWN CORRESPONDENT

IF THE current United Nations and other Third World members can no longer expect him to deliver measures, no dialogue or Security Council debate on the South African situation promises as expected, a crucial test is being faced from the U.S. or any other Western power. But Mr. Young must also think about the possible negative reaction of Africa policy. It may be even more a test of the credibility of President Carter's UN delegate, members of Congress to any excess of U.S. militancy. Nor must he forget the interests of

America to hold the prestige of America's principal allies in the Council meetings—under the alphabetical rotation system—he is leading a determined effort to recruit the extreme demands of African states for enforcement measures against Pretoria and Western unwillingness to approve mandatory resolutions.

Obviously, it will be a severe blow to the New American Ambassador's personal prestige with the Africans, who already address him as "brother" if on his first outing at the UN he has to exercise the American veto to block resolutions calling for economic sanctions and an end to arms sales to South Africa.

As Mr. Young is believed by many here to have taken personal charge of State Department policy-making on Africa, African

day: "We firmly believe there

UNITED NATIONS, March 23.

But African spokesmen have made such statements before and then accepted resolutions amended by the West, rather than see their militant demands rejected by the veto.

However, Brig. Garba has introduced a new element this time, holding out the threat that if the West refused to agree to some measures of coercion of South Africa in the economic area—the curtailment of further foreign investment and loans, for instance—Nigeria might consider retaliating against Western business. He pointedly reminded Mr. Young that total Western trade with black Africa exceeds that with South Africa. And he added that Nigeria, with its 90m. people, is the biggest African nation.

It should become clear whether it is this window-dressing or really meant after Brig. Garba and Nigeria's Chief UN delegate, Mr. Leslie Hartman, have discussed the Western compromise plan with Mr. Young.

Fighting continues Page 7

WASHINGTON, March 23.  
THERE IS some concern here in the ground and imports 95 per cent. of its cobalt needs that the continued fighting in Zaire may threaten U.S. supplies of cobalt, more than half of which comes from that country.

Last week, Mr. Cyrus Vance, U.S. Secretary of State, referred to the danger to copper supplies if the fighting should escalate and spread to the main part of the copper mining district. Although reports from Zaire are still confused, State Department officials say it still appears that so far, the copper-producing areas are not touched by the fighting.

But, even if they should be, the immediate impact on the U.S. would be relatively small. The U.S. has a substantial copper stockpile and, despite Mr. Vance's warning, receives only some 15 per cent. of its copper needs from Zaire. There are, however, substantial U.S. investments in the country which could be affected by continued fighting.

Cobalt is a silvery coloured metal used as an alloy, and is essential to the metals, space and nuclear power industries. It is added that he was resigning not to disappear into retirement but

rather to enable him to "devote my full time to marketing for the FASB as the best vehicle for setting standards."

The resignation, which came as a considerable surprise in the accounting industry, comes at a time of growing criticism of the FASB. Two recent Congressional reports attacked the Board for moving too slowly and pressures are now mounting for a Government body to be established to take over the private agency's function.

## FASB chairman resigns

BY OUR OWN CORRESPONDENT

MR. MARSHALL Armstrong, the chairman of the influential U.S. Financial Accounting Standards Board (FASB) has unexpectedly announced his resignation from the accounting industry's private rule setting group as from the end of this year.

The Board is approaching "maturity," Mr. Marshall said. "After five years of effort, it is time for a change of faces." He added that he was resigning not

to disappear into retirement but

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J. S. P. 1977

## OVERSEAS NEWS

## Bishop Lamont to fly to London after deportation order

MICHAEL HOLMAN

SALISBURY, March 23.

ROMAN Catholic Bishop of the removal of his citizenship. The Right Rev. Donal T. O'Conor reported to-night, having been Affairs could take this action, a of his citizenship and necessary step before deportation with a deportation order.

The acting Minister of October, the Bishop was Immigration, Mr. P. K. Van Der guilty on two charges of By, to-day issued an order desiring to report the presence of the Bishop to be an un- and two charges of desirable inhabitant of, or to commit the visitor to Rhodesia. His ten-year jail An Irishman born in Antrim was reduced in 1957. Donal Lamont arrived last month to four in Rhodesia in 1946, and became with three suspended. Bishop of Umtali in 1957. afterwards, the Minister. He has long been an articulate and Order. Mr. Hilary and outspoken critic of minority. announced that the rule. As President of the intended to deport Rhodesian Catholic Commission for Justice and Peace, he has been particularly instrumental in the past four weeks Bishop to a publishing two lengthy and well-received treatment follow brutalities against the African motor car accident, pended civilian population, caught outcome of a commission between the guerrillas and jury into the grounds for Government troops.

## Congress elects Chavan to succeed Mrs. Gandhi

DAVID HOUSEGO, ASIA CORRESPONDENT

NEW DELHI, March 23.

CONGRESS Parliamentary count on the support of 19 to-day elected Mr. V. E. members from the ADMK in the former Foreign Tamil Nadu. In the 1971 election as its leader to replace it won 350 seats. Mr. Chavan who no longer is evidently awaiting a Congress in Parliament. Had Mrs. comeback, following a break-up been returned to power in the Janata Front widely believed she would. The new ruling parties are still dropped Mr. Chavan from locked in a tussle to-night over the choice of Prime Minister for ever, many Congressmen the first non-Congress administration a nostalgic affection to be formed since independence. Gandhi, feeling that fate, and this conflict bodes ill treated her. In deference for the long-term stability of the sentiment, Mr. Chavan Government.

day that she would still. They must reach a decision by play, "a very important tomorrow, when the Janata Party's role as leader of the and its ally in the election campaign. Mr. Jagjivan Ram's only remaining official press for Democracy (CFD) are as a member of the due to meet for the formal working committee election of the leader. Congressmen have suggested. The contest is between Mr. drafting Mrs. Gandhi Moraji Desai, the 51-year-old is the next Congress president of the Janata Party and an office she first held in Mr. Jagjivan Ram. Both are 1950s, when her father, former Congressmen who have Nehru, was Prime Minister under Mrs. Gandhi and Mr. Chavan has been long coveted the premier to reveal his attitude to ship. With this prize so close a move, but it can be at hand, they are now engaged in the traditional horse-trading that be rigged General Elections on March 7 to keep his Pakistan People's Party (PPP) in power. The new government holds 153 seats in Parliament, but can have sought to promote.

## Australia invited by U.S. to talks on uranium

By Kenneth Randall

CANBERRA, March 23. PRESIDENT Carter has invited Australia to take part in early talks with the U.S. Government on uranium marketing and the strengthening of nuclear non-proliferation policies.

"International progress in dealing with the non-proliferation problem is one of the key foreign policy goals of this administration," Mr. Carter said in a letter to Australian Prime Minister Malcolm Fraser on March 11. An exchange of letters between the two leaders was made public to-day.

Mr. Fraser wrote to the president on February 4 supporting his objectives in non-proliferation. He said, "apart from our general commitment to non-proliferation, Australia's particular interest—and perhaps our scope in future to exert influence on international developments—relates to our potential as a supplier of uranium."

Former Labour Government Treasurer Bill Hayden said today that the current trend of economic management made it inevitable that there would be another devaluation of the Australian dollar this year. Mr. Hayden made a similar prediction a few weeks before the 17.5 per cent. devaluation announced on November 28.

In the House of Representatives to-day, Mr. Hayden said that, by the end of this financial year, Australia would be experiencing inflation at an annual rate of 16-18 per cent.

## Bhutto calls for dialogue

ISLAMABAD, March 23. PRIME Minister Zulfikar Ali Bhutto to-day urged defiant opposition parties to accept his offer of a dialogue to end political turmoil in Pakistan. "It is only through dialogue that rifts can be closed in the nation's political fabric," Mr. Bhutto said.

Leaders of the nine-party opposition Pakistan National Alliance (PNA) continued deliberations in Lahore on his invitation for talks. The PNA last week called for mass agitation against Mr. Bhutto, claiming that he rigged General Elections on March 7 to keep his Pakistan People's Party (PPP) in power.

Reuter

James Buxton, recently in Djibouti, reports on the territory's uncertain prospects after independence in June

## Simmering discord in Europe's last African outpost

THE ANNUAL exodus of French families fleeing the torrid summer humidity of Djibouti is starting early this year. Many wives and children will get out before May 8 when elections, which may well be violent, are held in this last European possession in Africa.

Later their husbands will join them to watch from afar as the territory becomes independent on June 27. Despite an agreement in Paris last weekend the future of Djibouti is so uncertain that many of them may never go back.

If so they will be giving up a life of colonial elegance which fewer and fewer choices in the world still afford. Djibouti has always had a certain swanky atmosphere which the uncertainty of the past 12 months has accentuated. But cocooned behind high walls and in luxuriant gardens 12,000 Frenchmen—6,500 of them in the armed forces—enjoy high incomes, plentiful servants and an almost daily supply from France of the best cheeses and wines.

Djibouti, or, to give it its proper name, the French Territory of the Afars and Issas, is sandwiched between Ethiopia and Somalia on the Gulf of Aden. Its port and the terminus of the Franco-Ethiopian railway handle more than 80 per cent. of Ethiopia's imports, but though the rest of the territory is populated by Afars, who stretch across into Ethiopia, Djibouti itself and the part of the territory through which the railway runs is largely inhabited by

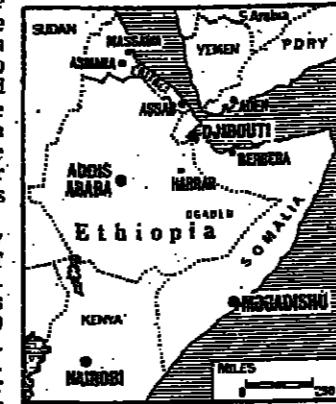
Arabs, mostly immigrants from the Yemen. The barbed wire barrier is less vigorously guarded and Somalis are gradually being admitted to the jobs formerly available to them.

France has won Somalia's acceptance of the future independent status of the new state (also accepted by Ethiopia). The

Government in Mogadishu is now convinced that France does not intend to continue using Djibouti as a military base after independence and is prepared to accept the presence of French

soldiers—though probably not

Somalia has long wanted to the French Air Force or Navy to take over the territory, and up after independence for a limited period.



military presence is broadly welcomed because it lessens the possibility of conflict between Ethiopia and Somalia, which neither side wants, and will do something to avert a total economic collapse of the Territory, which is almost totally dependent on French military expenditure.

So far so good. But France

has failed to reconcile the Afars to their sudden loss of status, and

Ethiopia remains suspicious. M.

Abdullah Mohammed Kamil, the

President of the Territory's

Government, has lost the support

of most of his fellow Afars, and

none of the three Afar parties

attended this month's Paris talks

Such violence could lead to attacks by the Afar guerrilla group (the Djibouti Liberation Movement—MLD), which has

parliamentary majority boycotted the closing session of its talks. The Mogadishu-based group reports Israeli instructors if the conflict escalates and the Liberation of the Somali Coast, walked out when France insisted that there should continue to be individual constituencies rather than elections for single lists covering the whole territory. That would have guaranteed the Somalis a large majority over all other groups.

Ironically the new friendship between Ethiopia and the Soviet Union may offer some guarantee of a peaceful handover of power, since for the moment, at least, the Soviets are in a position to restrain both the Ethiopians and the Somalis, with whom they have long been well entrenched. Somalia is coming under increasing pressure from the Arab states to break off the Soviet connection, but can hardly risk doing so in the crucial next three months.

But if the new republic does stagger into life at the end of June its long term political and economic viability is highly uncertain. It cannot continue indefinitely under the management of French officials and with its economy underwritten by France (though President Giscard d'Estaing has said that the present level of French aid—amounting to \$140m. a year—will continue for the moment). Yet there is not much alternative: the cadre of experienced local politicians, administrators and professionals in almost infinitesimal—in the lower category, there are only two doctors and one engineer, while there are only two army officers, both of them in France.

With a considerable amount of good will on all sides this would certainly be possible, but Afar disenchanted at present intense. Mr. Ali Aref, who was

President for 14 years until last year, says darkly that "le sang

recolle" — an apparent reference to a revival of inter-

communal violence which is endemic between the Afars and Somalis

in Djibouti.

DAR ES SALAAM, March 23. MR. NIKOLAI Podgorny, the Soviet President, began talks to-day with President Julius Nyerere of Tanzania and assured Angola, who have occupied several towns in Shaba province, formerly Ratanja. Some 90 tons of military bases or special privileges in Africa, only of U.S. aid arrived in Kinshasa expanded mutual co-operation yesterday, including aircraft spares, medical supplies and

President Podgorny, on a tour of Tanzania, Zambia, and second U.S. aid shipment in a Mozambique, tried to ally wide spread African fears of Soviet military encroachment in Africa. Former Congolese President

Quoting Peking's official Hsinhua news agency, they said steel and iron workers in China have "thrown themselves" into the campaign in order to produce "more and better iron and steel."

Meanwhile, the army has been ordered to help farmers combat the widespread drought which is threatening China's wheat crop. Radio Peking reported to-day.

Agencies.

Podgorny meets Nyerere

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## Finland goes nuclear

BY LANCE KEYWORTH

HELSINKI, March 23. THE SOVIET Premier, Mr. Alexei Kosygin, to-day formally opened Loviisa 1, Finland's first nuclear power plant, delivered by the Soviet Union. It is a 440MW pressurised water reactor. Its twin, now under construction, is due to go on-line in 1979.

The contracts for the project in Loviisa, a small town on the south coast east of Helsinki, were signed in 1969-70. The value of the order for Loviisa 1 was put at that time at about Fimks.500m. (£25m.)

The Russians granted Finland a 20-year credit at 2.5 per cent, with repayments to be

Finnish sub-contractors won orders valued at about the same amount, but as a result of galloping inflation in the past few years, the total cost of Loviisa 1 has roughly doubled to Fimks.1bn. (£155m.) at the current exchange rate.

Loviisa II is expected to cost about the same as the first unit, again with about half the work going to Finnish companies and foreign sub-contractors.

Apart from Soviet and Finnish deliveries, the power plants contain components from Britain (computers and valves), the U.S. (ice condenser system), Canada (instruments), West Germany (control and automatic equipment) and France (diesel).

Canada supplied the uranium, which was enriched in the Soviet Union.

Finland now has three nuclear power stations under construction. In addition to Loviisa, IL two 600 MW boiling water units are going up in Olkiluoto, on the west coast. These were ordered from Asea-Atom of Sweden by a mixed private-public consortium styled Industrial Power Ltd. The first unit is due to go on-line next year.

## Argentinian power order

By Nicholas Colchester

BONN, March 23. KRAFTWERK UNION, the West German nuclear power station builder, is to play a primary role in the construction of Argentina's third nuclear power station, Atucha 2, the company confirmed today.

KWC is to take over from Italian industry the construction of the electrical part of the plant—turbines, generators and electronic control equipment—and will also step in as co-partner of the whole project. Its partners in this will be the Canadian Candu Group, which is supplying the 600 Mw reactor, and the Argentinian Energy Commission.

Kraftwerk Union is the German company that is playing a leading role in the export of a com-

## EEC calls for bigger rise in Japanese ship prices

BY DAVID CURRY

WESTERN COUNTRIES have told Japan that the 5 per cent impose further reductions in orders and work in shipyards. A very contingent offer to Federation, urged a share-out of export price increase for ships working hours as an ultimate measure if the Japanese share to hear replies from the Japanese imposed as part of a package of new orders exceeded the post-recession 50 per cent anticipated by Tokyo, was part of the Japanese of the world shipbuilding market is inadequate. Delegates from European Governments at the resumed talks on shipbuilding working group. The final agreement was an offer to refuse orders from countries to apply to all vessels being built for export from January 1 retroactively. Even so, there is some doubt as to whether all categories of vessels are, in fact, being subjected to the price increase.

Yesterday trade union representatives had argued that estimates of world shipbuilding output in 1980 of 12m. to 13m. EEC's own proposal for a 50.50 gross registered tons were too market share-out between Japan and the European countries has

However, it appears that the pessimistic. They suggested 15m. and the European countries has to hold out hope of further argued that shipyards should never a tenable position (as the Japanese industry was as capacity. Defending the importance of jobs in an activity which affected by the recession as the was a basic part of coastal industrial cost of rejections in man-trail society, Mr. Herman Rebhan, current discussion seems to have been implemented was general secretary of the Geneva-based International Metalworkers initiative.

## U.S. shipping policy defended

BY ROY ROGERS

AN uncompromising defence of not only justifiable, but thoughtful and respected analysts of the tanker surplus and his latest suggestion is bound to spark considerable discussion from a leading U.S. official.

Criticism of U.S. protectionist moves voiced at a London shipping conference on Tuesday, was answered yesterday by Mr. John Murphy, chairman of the House of Representatives committee on merchant marine and fisheries.

He told delegates to the conference, organised by Seatare magazine, that his country's merchant fleet had dwindled to such an extent that it was now almost non-existent. U.S. flag ships numbered a paltry 577 and carried only 8 per cent of U.S. foreign trade.

## Flat-footed

Reminding delegates that the U.S. had been caught "flat footed" in both world wars because of placing too much reliance on foreign-owned shipping, Mr. Murphy said that he considered the merchant marine the fourth arm of defence and vital to the stability of foreign trade.

Emphasising that the American authorities were only talking about oil imports and not liners or dry bulk cargo services, Mr. Murphy said the aim was to boost U.S. flag ship handling from the present level of 4 per cent to 30 per cent by June, 1980.

He was aware of the gathering storm of opposition from the international maritime community but felt that these "modest" cargo equity proposals

the past year as one of the most

John Wyles adds: A radical proposal that banks should take the initiative in encouraging financially hard pressed independent tanker owners to sell their ships to oil exporting countries was put to the conference by Mr. Peter Douglas, senior shipping economist of the Chase Manhattan Bank.

Mr. Douglas' idea is based on the premise that owners of at least 10m. to 20m. deadweight tons cannot afford to wait even six months for an upturn in the tanker market. He believes that many of these owners are now close to financial collapse and even those who stay afloat will be unable on an optimistic view of future freight rates to clear their mortgage debt inside 22 years—if the ship last that long.

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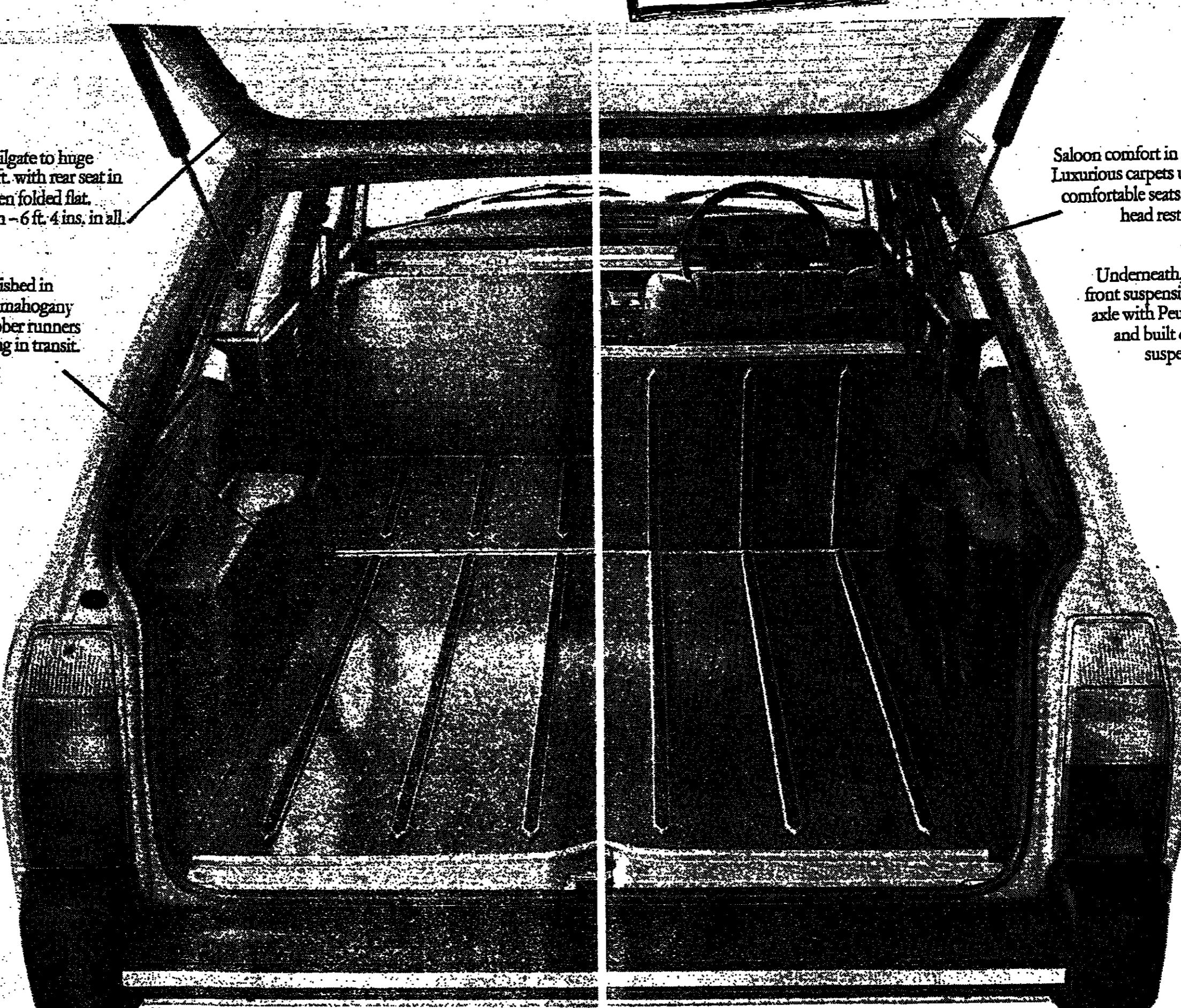
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## HOME NEWS

# Campaign starts for new reactor at Dounreay

BY DAVID FISHLOCK, SCIENCE EDITOR

A CAMPAIGN to have Britain's first commercial fast breeder reactor built at Dounreay, on the north coast of Scotland, was launched yesterday by Lord Hinton, who originally chose the Caithness site for fast reactor development in 1954.

Lord Hinton spoke of the 23 years of experience of fast reactor technology which had given Dounreay the "confidence that springs from real knowledge."

Most of the opposition to fast reactors sprang from partial knowledge, he said here, at a nostalgic ceremony formally ending 18 years of service for the fast breeder reactor.

Lord Hinton pressed the button to trip the 80 MW (thermal) Dounreay fast reactor — whose steel sphere has been a symbol of Britain's nuclear technology since the late 1950s — for the last time.

The campaign to build a full-scale 1,300 MW demonstration fast reactor power station at Dounreay will be brought to London next week, when the Highland Regional Council lobbies MPs and peers.

Lord Hinton spoke chidingly of the "dreadful hesitancy" of the report of the Royal Commission on Environmental Pollution on the subject of the fast reactor.

Attacking Sir Brian Flowers, as chairman of the Royal Commission when it produced this report, he quoted from a major speech Sir Brian had made in 1971 as chairman of the Science Research Council, when he had stressed its 250MW prototype fast reactor.

## Too long at school 'trains delinquents'

BY MICHAEL DIXON, EDUCATION CORRESPONDENT

MANY TEENAGERS were being "trained to be delinquents" as a result of the raising of the compulsory school age to 16.

Where informal teaching methods were shown to be working well, they should be allowed to continue. Where they were not, they should be replaced by more traditional structured methods.

Dr. Boyson and Prof. Cox also called for trainee teachers to spend their first year in a school apprenticeship to a "master-teacher." If this showed the trainees to be capable, they could then go on to a college of education for another two years.

Monday's BBC television programme on the Faraday comprehensive school's 'In Action' West London, had shown that the present all-college training was not preparing teachers for the real classroom, the Conservative spokesman added.

"Teaching will never be a profession until training is done by teachers in the schools, and not by pseudo-teachers a long way away."

On culture, the Black Paper editors wanted schools to return to asserting the values of Western democracy, and to restore their morning assemblies to their former religious character.

"We do not believe that fascism, Communism and anti-semitism are the equals of classical liberalism," Dr. Boyson declared. "And voodoo is not the equal of high religion."

Black Paper 1977. Maurice Temple Smith; £1.65.

## Demand grows for degrees in engineering

LIAISON with industry, in both teaching and research, is now an established feature of almost every university in the country, says the report for 1976-78 of the University Grants Committee, published yesterday.

The report notes a stronger demand for degree courses in engineering. But it warns against increasing enrolment to engineering studies to an extent that would cause a decline in the quality of students admitted.

"This could be counter-productive by leading to unnecessary academic failure and diminished esteem for the graduate engineer," the committee states.

University Grants Committee Annual Survey; Cmd. 6750; £1.

## Courtaulds launches new viscose fibre

BY RYHS DAVID, TEXTILES CORRESPONDENT

A NEW entrant into the fibre tonnes a year. The major initial battle — modified viscose staple applications are expected to be with absorption characteristics in towelling and tee shirts, but resembling those of cotton — is a wide range of other uses including woven shirtings, sheetings, double jersey fabrics and non-wovens also are thought to be developed.

The fibre, named Viloft, is regarded by Courtaulds as a major breakthrough and, on the basis of tests made by a number of textile manufacturers, the new viscose staple with company is expecting the fibre to new market opportunities after to make a significant impact in years of decline. The newer blends with cotton and polyester, synthetic fibres based on oil, and polyester.

One line at Courtaulds' Green, in particular polyester, have field viscose staple plant North claimed most of the growth in Wales, has been converted to world textile demand, with cause of its obvious potential. The fibre is seen by Courtaulds as textile manufacturers, the new viscose staple with company is expecting the fibre to new market opportunities after to make a significant impact in years of decline. The newer blends with cotton and polyester, synthetic fibres based on oil, and polyester.

## Provos seek to justify killings

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

THE PROVISIONAL IRA implied yesterday that it would continue with its murder campaign against businessmen in Northern Ireland.

In a statement released simultaneously in Dublin and Belfast, it sought to justify the spate of attacks that have so far resulted in the deaths of six Provos.

The Provos say that their campaign is against those concerned in the senior management of British economic interests in the six counties.

The statement claims that Northern Ireland economy "has never served the interests of the people. It is geared completely to their exploitation and to the benefit of those in control."

The Provisional IRA makes clear its tactical reasons for resorting to such soft targets as civilian industrialists and businessmen.

People representing economic interests in Ulster were invaluable assets to British intentions in the Province, and "unlike British troops, they are not expendable."

The Provos also claim that there is a connection between Ulster's industrial leadership and security policies.

## Economic recovery will halt next year, says forecaster

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

A RETURN to a new world recession next year and a half to economic recovery in the UK were predicted yesterday by a highly respected forecasting group, less than a week before the Budget.

Dr. Alan Budd of the London Business School, and a former senior Treasury forecaster, said the school's latest projections, now being completed, indicated a growth in Gross Domestic Product of 1 to 1½ per cent this year compared with 1976 and a flat trend or a fall in 1978 on

The warning was made at a London conference on the Budget organised by the Institute for Fiscal Studies and in line with a number of other recent projections — from, for example, the National Institute — that the economy is growing less rapidly than projected by the Treasury last December.

Dr. Budd pointed, in particular, to a below-trend growth in world output. He suggested that a possible policy reaction if inflation picked up worldwide might be for more stringent

fiscal policies, restraining demand, which in turn could lead to a 2 per cent fall in world industrial production in 1978.

He also argued that because of the general tightening in public spending controls in the UK, Government expenditure could undershoot projections by about 1 to 2 per cent, while domestic credit expansion and the money supply are also well below their ceilings in the IMF's Letter of Intent.

Dr. Budd said the school's projections pointed to a borrowing requirement of £29.7bn in 1976-77 and £32.6bn in 1977-78 on present policies, allowing a net £500m cut in taxes. In the Budget, he added.

"But there is still considerable freedom to allow a fall in interest rates and a movement upwards of the exchange rate as the best way of containing inflation and expanding demand," he added.

Dr. Budd maintained that the Government should not get into the business of bargaining with the TUC, though other speakers

## Radioactive waste can be dumped on seabed, experts say

BY DAVID FISHLOCK, SCIENCE EDITOR

RADIATION EXPERTS can find no overriding reason why the rising from a mid-ocean sea floor should not be capacity of 2,500 gigawatts of nuclear power plant.

International law at present forbids the dumping at sea of anything but weakly radioactive

They assume the will be solidified an

The National Radiological Protection Board, Britain's watchdog

group, was asked by British Nuclear Fuels to examine the

idea of using the seabed for final

disposal of the highly active

waste from reprocessing spent

nuclear fuels.

The Board, in a report pub-

lished today, suggests several

areas which would require

further research, but concludes

that "no overriding reason con-

nected with the radiological pro-

tection considerations has been

identified which would preclude

the disposal of suitably con-

ditioned high-level waste on the

seabed."

The seabed has one paramount

advantage as a final resting place

for reprocessing waste, as few

people want to live near such a

dump, no matter how authorita-

tive the assurances about its

safety.

Release of the report coin-

cides with the decision this

month of the four nations most

keenly interested in seabed dis-

posal — Britain, France, the U.S.

and Japan — to co-ordinate re-

search.

At the Board, Mr. Paul Grim-

wood and Mr. G. A. M. Webb

have been modelling ways in

which radioactivity from the sea-

bed might re-enter man's

environment, especially via his

food.

A long-term pro-

ject is needed to study if

of deep-water cu

hence the global c

radioactivity from

dump.

Assessment of the

protection aspects of

high-level waste o

floor. National Rad-

ioactive Waste

depositing at one North Atlantic

500m.

## Exhibition manager resigns

By Arthur Smith, Midlands Correspondent

NEW PROBLEMS emerged yes-

terday for the National Exhibi-

tion Centre, Birmingham, with

the resignation of its second

general manager in three years.

Mr. Gordon Brace, a former

director of operations for

Watney Mann, will leave at the

end of March after only eight

months in the £15.750-a-year post.

A joint statement said the

reason for Mr. Brace's departure

was "a difference of interpretation

of the responsibilities of the

general manager."

He understood to have failed to get the support of the Board for his

argument that Mr. Keith Holgate,

the financial controller, should

report direct to him rather than

to Birmingham Corporation, which financed the project.

The centre will be unable to

meet all the interest burden on

its £29.8m debt to the corporation

this year. It expects to

make an operating profit next

year and to cover the debt

charges and break even by 1983.

Charges for space at the centre

are to be raised by 33 per cent

from April next year, and a

further increase is possible in

1980. Though the centre has

been filled to only 60 per cent

capacity this year, utilisation is

scheduled to rise to 80 per cent

and 90 per cent in the following

years.

Sir Robert Booth, chairman of

the centre, acted as chief executive

for 12 months until Mr. Brace was appointed last July.

Mr. Richard Cunningham, the

first general manager, resigned

in May 1975, after 12 months.

Mr. Goodison emp

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each case 1p less

original tariff.

Larger reductions

increasing scale, 2

for bigger deals, 3

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going down by 5p

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Wednesday.

The reductions, made after dis-

cussions on the tariff for the ser-

vice, maintain the principle of

making the charges lowest for

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## PARLIAMENT



## Tories watch hopes slip away

BY PHILIP RAWSTORNE

THE COMMONS' wake for the Government yesterday turned rapidly into a revival meeting. Mrs. Margaret Thatcher had arrived suitably dressed in black—but her shrilly keening speech mourned only the passing of the last Conservative chance to oust the Government for another six months.

Mr. David Steel, Liberal leader, after listening to the recital of Conservative woes, said it had removed any lingering doubt he might have had about aiding the Government's survival.

Compared with Mr. James Callaghan, the Tory leader was a very pale shadow, he suggested.

Haunted, too, as Mr. Steel raised the ghost of Mr. Edward Heath with the thought that the Liberals had offered a Tory Government the very same deal they had now agreed with the Labour Cabinet.

Government stability with political self-respect. That was Mr. Callaghan's and Mr. Steel's agreed experimental formula for future Parliamentary life.

Not all Labour MPs looked as if they would

bow under the new conditions. But the Prime Minister was confidently certain that the Government and the country would. Mr. Callaghan might have said that considering the Government's restricted means, the deal had been cheap at the price. But since it was a gentleman's agreement, he refrained from doing so.

A joint consultative committee under Mr. Michael Foot—already looking slightly embarrassed—would examine the Government's policy proposals, said the Prime Minister.

"Listen to this, your fate may depend on it," warned the jeering Tories.

The Government would not be committed to accepting Liberal views nor the Liberals to supporting it on every issue.

But there would be a free vote in the Commons on the question of proportional representation for the European direct elections and, after consultations, on a similar system for devolved assemblies.

In addition, Mr. Denis Healey had agreed to

discussions with Mr. John Pardoe on his Budget strategy.

None of this sounded outrageously unlike the way of life the Government was already leading, but Mr. Callaghan declared: "This arrangement will give the Government the opportunity of maintaining a stable position while it carries through its economic and social policies."

It was just that prospect that had apparently unnerved Mrs. Thatcher. Watched grimly by many of her MPs, the Tory leader attempted coup de grace fell far short of its target.

"Jim of all parties and master of none," she sneered, amid Labour laughter. She cut off his "shuffling compromise," his "shabby, devious manipulations"—and Mr. Healey smiled even more smugly from the Government front bench.

"The Prime Minister is an expert," she declared. The Labour benches erupted with cheers. "Author, author" they shouted, in praise of her speech-writer. "More, more, more" they demanded.

## Peer urges end of inter-party strife

THERE WAS a growing measure of agreement about the way Britain should move and about the contents of a national recovery programme. Lord Hankey said in the Lords yesterday. But be warned that for any programme to endure or work, the main political parties, the CBI and the TUC would have to cooperate to ensure its success.

Lord Hankey urged an agreed programme for at least five years which should be constantly studied and brought up to date. He called for the dropping of inter-party strife which impressed no-one outside Westminster.

For the Conservatives, the Earl of Gowrie said it was ironic that confrontation between the Opposition parties and the Government was at its height just at the time when the Government, ineffectively, reluctantly, and much too late, had adopted the kind of policies Conservatives had been urging.

He doubted that the kind of common ground necessary for an agreement could be found at present. There would have to be some agreement for an acceptable level of employment and absolute agreement on what level of money and credit expansion would actually be possible.

Lord McNair said that many people felt electoral reform to be a pre-condition for any recovery from our chronic political diseases.

Lord Houghton of Sowerby said the political consensus in the form of a political peacock to sprinkle over our ills and political mistakes in the hope that it would pep them up was all a dream. This was disputed by Lord O'Brien, former Governor of the Bank of England, who said there were now the makings of consensus.

Viscount Amory (C) suggested a national contract in which the nation accepted and committed its loyalties and energies to a national recovery programme which subordinated immediate benefit.

Viscount Hanworth did not believe that consensus could be achieved with our present Parliamentary system. Some form of proportional representation was a prerequisite.

Lord Kagan said legislative and fiscal changes in industry had caused severe damage. There was uncertainty in decision making and the morale of shop floor workers was affected.

Lord Terrington suggested that the distinction between earned and investment income should be dropped and argued for an end to dividend control in the interest of injecting new capital into industry.

## MP seeks jail sentence curbs

A LABOUR MP's Bill aimed at cutting the prison population was given a formal first reading in the Commons yesterday.

The Penal Reform Bill sponsored by Mr. Bruce Grocott (Lichfield and Tamworth) would provide alternatives to custodial sentences, and limit the offences for which custodial sentences can be awarded.

## Callaghan says Liberals will supply stability to fulfil his programme

BY JOHN HUNT, PARLIAMENTARY CORRESPONDENT

TO THE ACCOMPANIMENT of at any price,"

she said that despite the Prime Minister's manoeuvrings, the Government had a clear duty to call a general election immediately.

No amount of agreement with the Liberals could help it in the months ahead. "A coalition Government, by its very nature, needs to trim its policies and do fudge its issues and in present circumstances this just won't do."

## Regular

Explaining the terms of the new agreement, both the Prime Minister and Mr. David Steel, Liberal leader, were at great pains to emphasise that the new consultative committee which has been set up for discussions between them would still enable both parties to preserve a high degree of independence.

Mr. Callaghan declared: "The existence of this committee will not commit the Government to accepting the views of the Liberal Party or the Liberal Party on any issue."

It would entail regular meetings between Ministers and Liberal spokesmen. Already, one such meeting had taken place between Mr. Denis Healey, Chancellor of the Exchequer, and Mr. John Pardoe, Liberal economic spokesman.

But opening the debate, Mrs. Margaret Thatcher, the Conservative leader, launching her attack to resounding cheers from her supporters, argued that Labour was now a broken-backed Government and that Mr. Callaghan had no credibility left.

Be it as it may, "creeping cravens around, putting both wings of his party up for auction

House: "There was never any dealing. "It is a broken-backed

Underfitter, Mr. Steel told the

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## LABOUR NEWS

Tory offessey sit-in ends  
against advice  
shop stewards

BY CHURCHILL, LABOUR STAFF

Two-week occupation of Kirby, which employs 300 people, as well as two other telecommunication plants in the area, was agreed to let management changes in the Post Office's gain possession of its ordering programme for telecommunications equipment.

This led to the management lock-outs at Kirby as well as the other threatened plants at Speke, Edge Lane, the headquarters plant, and Gilmore. Management was forced to set up offices in local hotels while workers continued production.

When Mr. Crerar first hinted earlier this month that the Government might be prepared to consider help to a co-operative, most of the occupied factories—except Kirby—returned to normal working.

Workers decided that ability of turning the workers' co-operative to the help of Government, meant they should protest while further place.

Most of the workers were set Mr. Bob Crerar, Parliamentary Secretary at the Department yesterday.

But the meeting was

held next week. The

led by Mrs. Lilian Bilocca to put forward an alternative which could be manufactured successfully at the

decision last month. Further talks are to be held.

JC urges boycott  
Grunwick

LABOUR CORRESPONDENT

general council yesterday unanimously support workers on strike for eight months at Grunwick Processing Laboratory, Willesden, North

on all trade unionists in the company to support it is called "elemental union rights—the workers to organise, intimidation, and the recognition."

ment issued yesterday on members not to send today photographs to which also operates a name, Cooper and Bonnypool, and

immediate terms the all could mean urging others not to take film

## More vacancies being provided, says Booth

CHAL TIMES REPORTER

ARE signs that vacancies are beginning to provide

scarcity. Mr. Albert Secretary to the National Federation of Demolition Contractors said yesterday.

to Tuesday's unemployment figures he said that there were more than people unemployed in the construction industry, there

loss the economy as a

general improvement though, was no action to solve the plants which are being closed."

## ge increases worth 24p a year

WAGE increases early 1970s have been about 24p a year. The government has followed a covert policy of holding down real wages by using taxation to cut back salaries in those years when no incomes policy operated. But what is new about the Social Contract, it adds, is that both terms, there has been wage restraint and increased taxation being used at the same time.

## urses accept pay increase

MR LABOUR STAFF

and other health and Midwives' Whitley Council staff yesterday accepted the joint negotiating body's offer within the pay decided yesterday to protest to government increases of £1.50 and £2 a week. The National Federation of Demolition Contractors staff are to get the consultation on Common Market from April 1—but nursing directives. The National and midwives will have Local Government Office and Organisation is urging the EEC an £33 and £57 a year. Government not to approve EEC staff covered by the directives on nursing until include radio further talks with unions have been held. Physiotherapists and Hospital chaplains. About 30 strikers at a Surrey hospital were given dismissal notices yesterday for refusing to

allow drugs and other vital supplies into the hospital. The strikers, members of the Transport and General Workers Union, have been out for three weeks in a dispute over work rates.

Pickets at Manor Hospital, Epsom, stopped drugs coming into the hospital claimed. They were a vital part of therapy treatment for about 900 mentally handicapped patients, including 80 children. If the drugs are withheld or delayed, children can easily become disturbed.

W plant  
diaz  
crofilm

RD. Britain's sole manufacturer of diazo microfilm, is £300,000 in new production facilities and newly-ed products at its Manchester works.

new plant is needed to the growth in sales of microfilm that Bedford, a subsidiary of ICI, has achieved in recent years. In 1976, sales double those of 1975 and is expected to expand to the 1980s.

new facilities will also endeavour to exploit the results research and development made in the past two years.

## SNOW REPORTS

Depth State  
1000ft. 100ft. 100ft.  
Anticline 100ft. Good 100ft.  
Gentoo 100ft. 100ft. 100ft.  
Aurora 100ft. Good Cloud 100ft.  
Good skies everywhere.  
Flame 100ft. Fair Cloud 100ft.  
Sleety snow on lower slopes 100ft. Fair 100ft.  
Grindewald 100ft. Fair 100ft.  
Wieders 100ft. Fair 100ft.  
Skies powdered by grass 100ft. Fair 100ft.  
St. Am 100ft. 100ft. Fair 100ft.  
South run to river 100ft. Fair 100ft.  
100ft. 100ft. Good 100ft.  
Conditions generally good.

Faster switch  
of vehicle  
records

THE RATE of transferring vehicle records to the driver and vehicle licensing centre, Swansea, is to be speeded up.

New arrangements will start with renewals for licences starting on April 1, when details of all vehicles not so far recorded at Swansea will be transferred if a licence is being taken out for a 12-month period. This applies to all vehicles irrespective of suffix and to those with no suffix. Older vehicles for which a licence is being taken out for a four-month period will be centralised later, as planned originally.

Records of about 13m. vehicles are held on the central record.

## HOME NEWS



Work at Labour Party headquarters in London was disrupted for two hours yesterday when about 30 students occupied the first floor in protest against impending rises in tuition fees. The demonstration, condemned by the National Union of Students, failed to delay the meeting of the party's national executive committee on the top floor.

## Warning on cutting NHS drugs

INTRODUCTION OF A RESTRICTED LIST OF PRESCRIBABLE DRUGS TO CUT SERVICE COSTS WOULD SERIOUSLY INHIBIT PHARMACEUTICAL INNOVATION, THE BRITISH PHARMACEUTICAL INDUSTRY SAYS IN EVIDENCE TO THE ROYAL COMMISSION ON THE NATIONAL HEALTH SERVICE, WRITES RYAN SILKIN, Q.C.

The action was brought by Mr. John Gouriet, administrative director of the National Association for Freedom. He is turn is expected to appeal against the Appeal Court's decision not to make the injunction against the unions permanent.

Such a list—the idea for which has come from the Department of Health—would exclude relatively marginal advances which represents the mainstay of therapeutic progress.

The association, which represents most drug manufacturers in the U.K., argues against what testing of new medicines, the £453m, and exceeded imports by its terms further bureaucratic standards of quality control and £313m.

## Hoechst plans £20m. spending in Britain

BY RYHS DAVID, CHEMICALS CORRESPONDENT

HOECHST, the German chemical group, is to spend about £20m. to be spent at Euromed, in the U.K. over the next three years, on expanding its activities based company manufacturing in research, pharmaceuticals, latex, catalysts which Hoechst acquired full control of during 1976. Production is to be concentrated on one site at Worthing and expansion is also to take place at the company's laboratories for synthetic chemistry, pharmacology, and pharmaceutical development in the U.K. The Hoechst group had total sales in the U.K. last year of £320m. Sales by Hoechst U.K. accounted for about £264m.—a 27 per cent.

The move, which was announced by Mr. Norman Mischer, chairman of Hoechst U.K. in London, is intended to provide the company's pharmaceutical division in the U.K. with comprehensive research and development facilities able to synthesise and develop new therapeutic agents. It is likely to be followed by further expansion of U.K.-based pharmaceutical research.

The company recently opened a £1.5m. animal health products centre at Milton Keynes and plans to spend a further £5m. at the site on engineering and staff facilities and expansion of its agricultural activities.

The decline in the value of sterling against the German mark nevertheless presented the company—an importer of goods from its German parent—with problems in 1976. Mr. Mischer said that at the start of the year the rate stood at DM5.3, but it had fallen to DM4 by the end of the year—a drop of 24.33 per cent.

Hoechst's spending plans in the U.K. are running at roughly the same level as in the past at its Stainland site, Yorkshire, where it recently closed down its yarn texturing operations. The year. There is no sign that Stainland site is to become the company's northern headquarters and the location for new textile auxiliaries and pigment preparations plants.

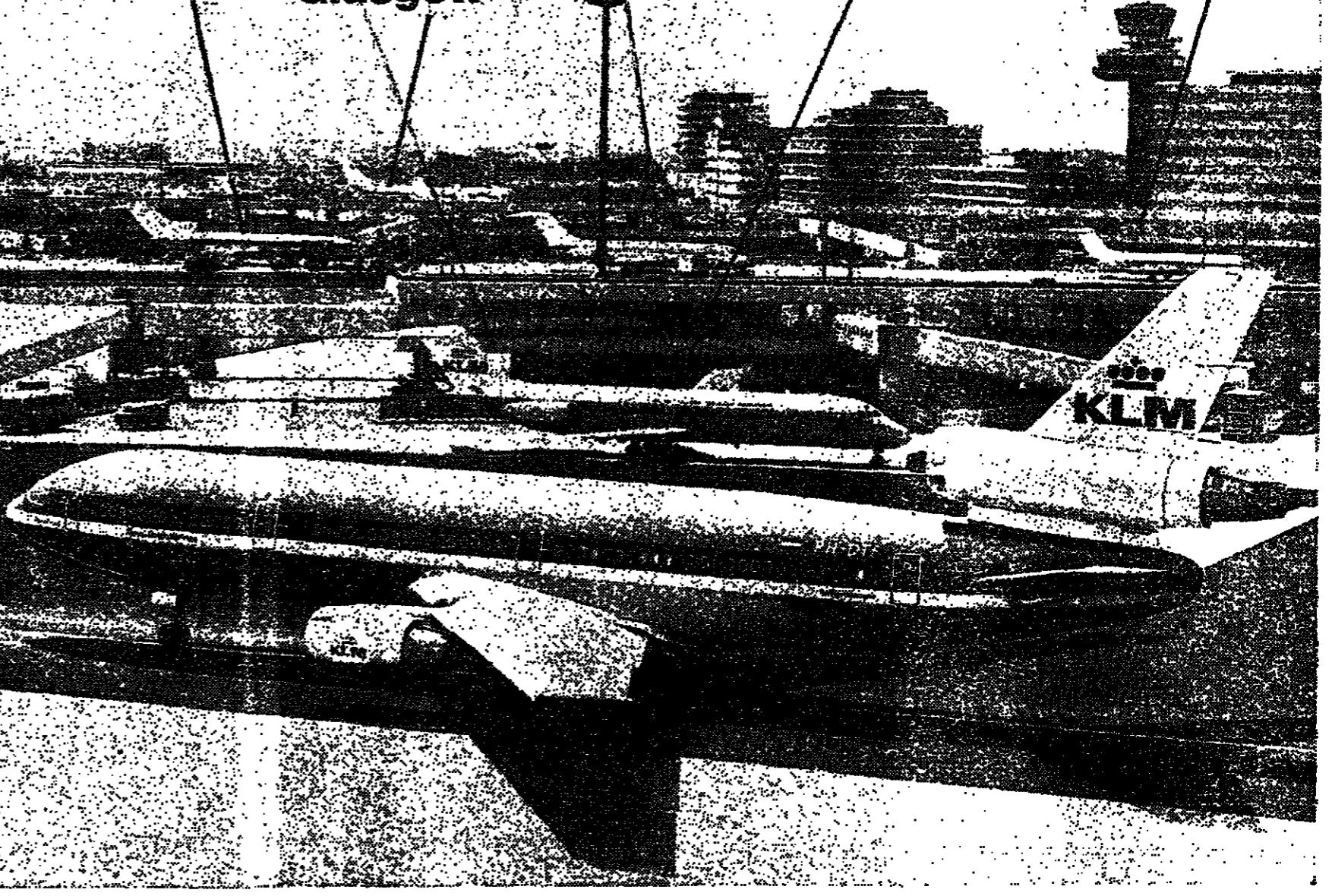
## The 08.30 from Newcastle

## The 07.50 from East Midlands

## The 07.30 from Glasgow

## The 09.10 from Heathrow

## The 09.55 from Manchester



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## FINANCIAL TIMES SURVEY

Thursday March 24 1977

J.P. Jones 150

# Massachusetts

There are three outstanding features about Massachusetts. It was one of the earliest settlements in North America, it gave the U.S. the Boston Tea party, and it is a major educational centre. But it has also been a victim of serious recession, from which it is only just beginning to recover.

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country where things may only be 100 old, Massachusetts represents a true link with the past, the culture and ways of colonists were translated in American style. In

At the same time as the state was acquiring a reputation as the country's industrial centre, it also laid claim to the somewhat immodest status of

"The Athens of America." In

1634, just 14 years after the first permanent settlement, a

small college was founded in Cambridge, a town adjacent to Boston. It grew into Harvard

University, one of the most prestigious institutions of

higher learning in the world. Harvard would serve as a

magnet for the cultural and educational development of the

Yankees, the people of

descendants who were the original aristocracy, but

at the time they were the

leaders of Massachusetts

Waves of immigration

established across the state. It

probably has one of the highest

per capita concentrations

of colleges and universities in the

U.S. and their presence attracts

talent and intellect.

After the Second World War,

states and communities offered the

most pressing question how summed up by the simple them and the city's national age. But all the assets were

attracted new industry Southern

face of these conditions, making American classic. It can be

seen with the South at the other

goods produced in the state's enough jobs? All the political

The trade unions had become

strong in the Bay State and that

five industries, suppliers in tages mean little if the state is

meant higher wages prevailed

Europe and then Asia had a

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## MASSACHUSETTS II

## Local economy plods on

ECONOMIC GROWTH in Massachusetts was the only State in the Sun Belt states, that year, of 9 per cent but it seems to be returning to an even keel. The recession and continue to concentrate on keeping cutbacks in defence spending in spending and taxes under the State had caused a serious economic slowdown and raised its economy. questions about the State's ability to recover. Now, those questions are muted.

Massachusetts suffers from the reputation of being a high tax State. A recent survey of other States' taxes in relation to their "tax capacity" — the average level of State and local taxation in the U.S. puts Massachusetts near the top. The tax structure places an especially heavy burden on the middle- and upper-income executives who run companies based in the Bay State.

This situation cannot be rapidly reversed. "We can't turn the clock back," says Economic Development Commissioner John J. Marino. But, under Governor Michael Dukakis, the State has clamped a lid on State spending as a way of assuring business that Massachusetts intends to let other States catch up with its tax rates.

One of the reasons for the State's high taxes is the higher level of services provided, particularly in the human services sector. State officials believe that, as the Federal Government takes over some of the burden and imposes uniform levels of service throughout the country, the State's fiscal picture will improve and become more encouraging to new business. At the same time, some human services are being reduced, where the Dukakis administration feels they have been too liberal. For example, it used to be easy to qualify for unemployment compensation and to continue receiving benefits even if the State found the unemployed person another job. With tighter rules, the rolls of those receiving such aid has been cut from 350,000 to 160,000 in 18 months.

## Taxation

The Massachusetts Taxpayers Foundation, a private group, complains that property tax increases have become "destructive." It claims that statewide, they rose by 13.1 per cent in 1976. While State officials admit that the property tax is a problem, they are prepared to offer ten-year commitments to new industry that the line will be held on increases.

Perhaps the most significant accomplishment of the Dukakis administration has been the actual reduction in the State budget in fiscal year 1976. If keep on plugging.

## Banks come to the fore

IF THERE is to be a national economic recovery in 1977, the chances are that banks will be in the forefront. What's true for the country as a whole is also true of Massachusetts. The trying times appear to be past, and the banks have money to lend.

"I believe that 1977 will be a year of general earnings growth for banks," says Richard Hill, chairman of the First National Bank of Boston, the largest in New England and 16th biggest in the U.S. This optimism stems from the lending ability of the state's banks which exceeds local demand. In short, recovery in the banking sector in Massachusetts has proceeded faster than general economic recovery in the region.

The basic business of Massachusetts banks is in handling individual accounts and making consumer loans. The banks here go after consumer money aggressively, and that has been the cause of their loan availability and rising interest costs.

It was at the Consumers Savings Bank in Worcester that something new in American banking was developed. It is called the Negotiable Order of Withdrawal — the NOW account. Simply, it is a way of paying interest on savings accounts. It had generally been thought that thrift institutions, which can pay a slightly higher interest rate than commercial banks, could not handle checking accounts. But consumers found that the NOW account was a legal way around the prohibition and other banks followed suit. Later, Congress would limit NOW accounts to the New England states in what is called a test. Federal Reserve Board chairman Arthur Burnshaw wants NOW accounts to be through their overseas correspondents. A good part of their

international activities centre on financing trade transactions. The competition for dual accounts among Massachusetts banks was fierce. Now New England is an importing area with an extensive and growing foreign trade, so there are opportunities for increasing business for the banks.

They have ended up costing the banks' money. "There's going to have to be some changes in the way all banks now offer NOW accounts," says one banker.

Right now, the banks are experiencing a contraction in earnings, because of their ability to make sufficient loans.

As a result, banks have been forced to lower the interest rates they pay on savings accounts. But banks regard this as a temporary situation, because, if money market rates climb, loan demand will increase and they will again raise rates to prevent deposit loss.

One immediate effect may be the withdrawal of some Massachusetts banks from the Federal Reserve System. The Fed requires them to keep their reserves in non-interest-bearing accounts. Two big bank holding companies have already withdrawn, and others can be expected to follow suit unless the Fed changes its mind and begins paying interest.

Another effect is the stepped up effort by some banks to promote international business. The leaders in this new campaign are First National, Shawmut, New England Merchants and the State Street Bank. First National is by far the largest and has extensive banking operations in Latin America.

"We're all set. We have the means to handle the loan demand that we're expecting," says a Boston banker.

the projected research and development operations can get under way soon, there should be a good market for their output in the rest of the country.

Mr. Marino sees "tremendous growth" in such technology-related industry in the next ten to 15 years.

The energy crisis may also encourage industry already based in Massachusetts to expand there rather than in tax State. They are meeting with mixed success. A good deal of publicity was generated by the out-of-State expansion carried out last year by Data General near the top. The tax structure places an especially heavy burden on the middle- and upper-income executives who run companies based in the Bay State.

In January, unemployment fell to 7.3 per cent, just about the national level. Some observers have wondered why there aren't more signs of growth as the jobless rate slides downward. The answer appears to be that the State's economy is more mature than the rapid growth States of the Sun Belt. Those States are experiencing a substantial population increase, while Massachusetts is not.

One noticeable result of the reduced unemployment is a revival of activity along Route 128, the area where numerous electronics and light industry plants sprang up in the 1950s and 1960s. Just a couple of years ago, local newspapers carried stories of scientists forced to take jobs bagging groceries in supermarkets in order to make ends meet. Now, as the plants on Route 128 have secured private-sector contracts to replace lost defense contracts, those people have been reabsorbed into the work force.

Much of the remaining unemployment is in the cities — Boston, Lowell, Worcester, Springfield — where the jobless lack the skills required in the growth sector. Under the Governor's direct supervision, the State planning office has been working on projects

designed to return economic vitality to these areas, but results are likely to be slow in coming.

Massachusetts is one of the States which has suffered the most from the energy crisis, since it is heavily dependent on imported oil. Commissioner

Marino expects that the crisis

may act as a stimulus for research and development in solar energy and in power derived from processing of solid waste. A recent national survey shows that, because of rising oil and gas prices, solar energy will be more economical than fossil fuels in 11 States by 1980. If keep on plugging.

## Controversy

The Boston busing controversy, the State's most well-known recent crisis, appears to have had little lasting impact on the economy. Tourism was the most severely affected sector, as families with children stayed away, because of reports of violence. But some of the Bicentennial events, attended by large crowds without incident, have reassured visitors. In two successive weeks last summer, crowds of 1m. people came out to see the Tall Ships and to cheer Queen Elizabeth, without any problems.

One sign of the State's new interest in encouraging business, according to some analysts, is the voters' rejection of four so-called economic referenda last November. One of these would have brought power production under public rather than private control. Industry and labour united to defeat this proposition on the grounds that it would indicate an anti-business attitude. Much the same was true of the other votes.

Governor Dukakis seems to believe that his chances for re-election next year depend on his ability to keep business in Massachusetts and to attract new firms to invest there. Much of what his administration has been doing in almost all policy areas can be understood in this light.

If he succeeds, the State can expect to return to a pattern of steady, if unspectacular growth. It's a bit like the fable of the tortoise and the hare. The flash of the Sun Belt States, but it appears to be committed to the growth sector. Under the Governor's direct supervision, the State planning office has been working on projects

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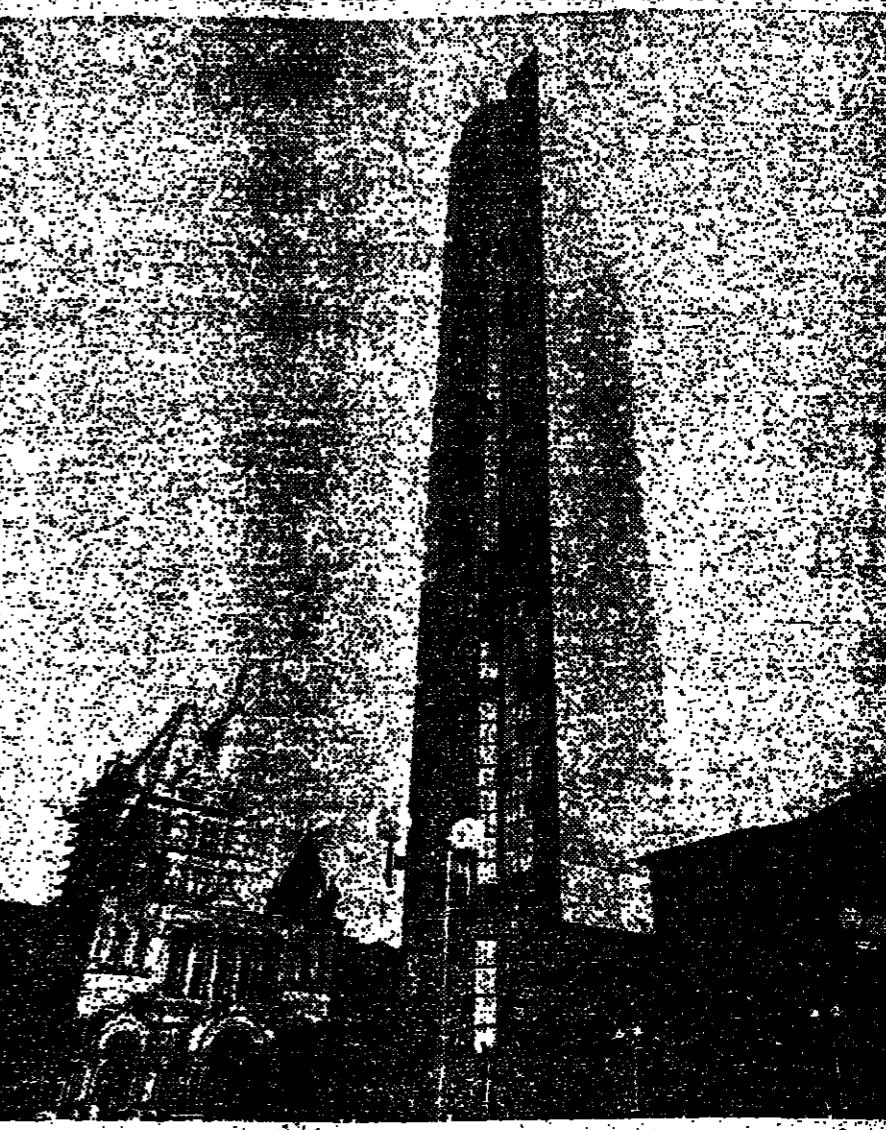
of rising oil and gas prices,

solar energy will be more

economical than fossil

fuels in 11 States by 1980.

If keep on plugging.



The sixty stories of the Hancock Tower in Boston, one of the tallest buildings in New England.

## Reaping coastal benefits

A GOOD part of the Bay state's minor factor in their own penalties, meted economic potential is not even waters. Although Massachusetts foreign vessels are located within its borders, the fishermen are willing to share headed taking part of the Continental Shelf the supply, because American sterns, fines should which is adjacent to the state consumers are interested in violators. Initial known as the Georges Bank, only a few species, they have Coast Guard, board represents a major asset to suffered because of the superior have shown compl equipment of foreign vessels, the new limit.

The Soviets, in particular, use methods which allow them to scoop all species from the sea, above the Georges Bank of interest to Massachusetts. Although estimates by geologists believe a considerable share of the Americans could be served there. But the land concern for environmental protection has slowed this month. Already the port of New Bedford is beginning to take on new signs of vitality and it is expected that there will be more American boats there in the near future.

Massachusetts is a considerable pressure to opposition to off-shore Right now it relies entirely on imported oil in oil-producing states. But they are reluctant to see registered with the federal government. As a result of their independent operation, they have not been able to find sufficient capital to build large ocean-going vessels which can process and store a large catch.

Yet, the Soviet fleet and vessels of other countries have benefited from such extensive naval fleet to patrol the expanse of energy government backing as to make pended area under its jurisdiction. The Americans seem like a nation. On the past record of price,



A reminder to tourists of Massachusetts' long traditional links with the sea — a statue to fishermen in Gloucester.

**MASSACHUSETTS**

We have a special place for you.

For information about business opportunities in Massachusetts, write:

Commissioner John J. Marino,  
Mass. Department of Commerce and Development  
100 Cambridge Street  
Boston, Massachusetts 02110

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Company \_\_\_\_\_  
Address \_\_\_\_\_  
City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

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Politics means Democrats

3 casual observer, politics may be. It appears that family dominates, they can get pretty what they want. John F. won his first race for House of Representatives, then proceeded to incumbents Senator Edward Lodge, himself of a venerable family commonwealth. After being called to the President's office, Ted was ready to place. Ever since, his much-publicized Teddy, as his affectionate constituency knows him, had any trouble being

casual observer is he thinks he can play State politics by a word "Kennedy." He does, he's missing plough and energetic scene, where at times though anybody can get into the act.

Else, Massachusetts Democratic state, more than any other.

They don't desert

even at its worst

in 1972, when almost

rest of the country

for Richard Nixon.

is clinging tightly in

Government. And, when

book, there was a

paper stickers showing

a flag with only one

the legend, "Don't

Massachusetts keeps

Democrats back to Con-

members pile up the

minority usually associ-

the old Southern

As a result, two out

of three Speakers of

including Thomas

Neill, the present

come from the

Democrats and the Irish

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wasn't always this

here was a time when

anke families pretty

back to the House.

Massachusetts is also a typical

New England state with all that

means about its attachment to

democracy with a small "d."

Here there are still town meet-

ings in small communities;

political groups, especially

system of direct democracy

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where the people, and not their

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# Transport brings new wealth

WHILE MOST of New England Concorde, at least until it has slowly emerged from recession, the results of tests elsewhere in the United States. The port of Boston is a marked improvement in labour conditions. There were no work stoppages there last year. At the same time, MassPort has embarked on a publicity campaign, labelling the port "The way system permits importers to get goods to the Midwest Contender." The port obviously struck home in the Port of New York, which countered with MassPort plans to ask the Interstate Commerce Commission to lower rail rates beyond New England, so that it can compete better with New York and Baltimore, but such a change seems unlikely.

A third factor in the resurgence of Boston as a transportation centre is the revival of rail transportation. The Boston and foreign trade zone in the port. The principal line, had been slated for merger with other bankrupt systems. But its passenger traffic are also trustees in bankruptcy and increasing, although not at the same rate. Officers believe that it can stage a comeback on its own, because of the port's pace of growth. Because of the port's size, the courts are letting it try. have actually resulted in more passengers and a 14 per cent. "There's a great improvement in cargo. But the Massachusetts Transportation Authority and willingness to Boston, including six new lines added last year. One of these is

Perhaps the major reason for U.S. Lines which has just improved in popularity of the stalled a major operation in Boston. The port is now ranked eighth in the United States in terms of customs value, with pages there last year. At the same time, MassPort has embarked on a publicity campaign, labelling the port "The way system permits importers to get goods to the Midwest Contender." The port obviously struck home in the Port of New York, which countered with MassPort plans to ask the Interstate Commerce Commission to lower rail rates beyond New England, so that it can compete better with New York and Baltimore, but such a change seems unlikely.

## Noise

Logan had a scare recently when it was suggested that, in the interest of noise abatement, the airport should be closed at night. Howls of protest went up throughout New England, whose small manufacturers depend on quick shipment in order to be able to deliver on a competitive basis. Now, there is no prospect of such a closing and MassPort is taking pains to bring planes in over water to avoid noise problems.

The prospects for the continued growth of Boston as a national and international shipping centre are good. Logan's facilities are expected to be adequate to handle demand until 1990. The sea port, the fastest growing container port on the East Coast, will undoubtedly get a major boost from the 100,000 square feet foreign trade zone, a much prized plum. Although Boston may be a worthy contender it cannot realistically hope to replace New York. But that is probably an asset, because its smaller size insures that users of the port get more personal attention.

Perhaps more than in any sector of the Massachusetts economy, there is an air of optimism in transportation and, in recent years, some concrete accomplishment to back it up.



Boston is very conscious of its place in North American history. Paul Revere's house is a major attraction for tourists.

## Tourist potential reasserts itself

"ANYBODY WHO attended school has to know about Massachusetts," says Ernest Lucci, the man responsible for promoting tourism there. That familiarity with the state and the desire to see some of the early landmarks of American history is the reason why Massachusetts is one of the top tourist states in the country.

Like the rest of the state's economy, tourism is just now emerging from tough times. The energy crisis cut deeply into the number of people who drove to the state. After the New York area eastern Canada is the chief source of summer tourists. When petrol was short in the United States, the Canadians stayed home in droves for fear

that they would not be able to fuel their cars for the trip. Older people tend to avoid summer's crowds and are travelling in spring and autumn. Some people thought the bicentennial would be a boom time for Massachusetts. But instead of making pilgrimages to historic sights, people preferred to celebrate at home. The Bay State suffered.

The comeback of the tourist business is due to new ways of doing business. "It has become a question of package or perish," says Lucci. The tourists are signing up for "package tours" in which they pay for bus transportation, lodgings and meals in advance. The package brings the price down.

New construction is the best sign of the tourist revival. A new hotel has recently been opened in Cambridge and two others are being developed in that have been

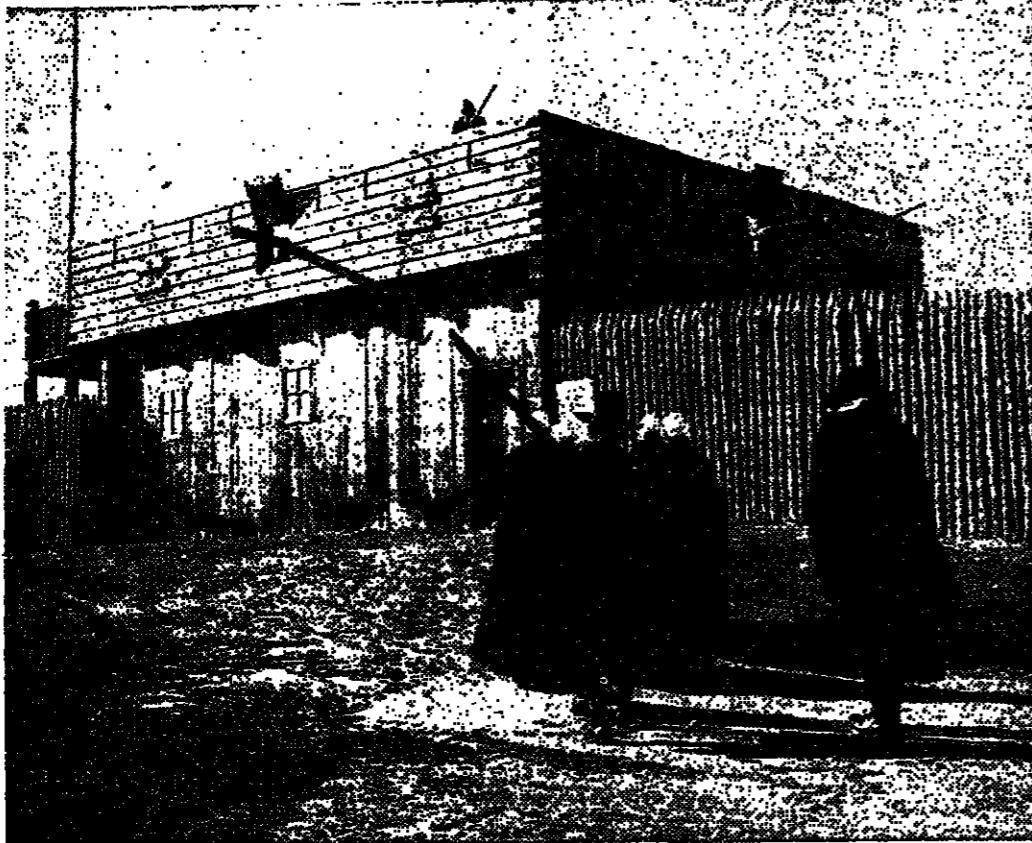
the state, a 300-acre area around Cape Cod also being built. With its historic vacation spot, the huge population stretch along the coast, Massachusetts' vacation state. It is about \$2.7m. They with \$50m. of that going into the state's form of taxes.

Although tourism is a major industry in Massachusetts and

New England expects an even more

sign of the tourist revival. A new hotel has recently been opened in Cambridge and two others are being developed in that have been

Boston. In the western part of parts of the count



Pilgrims, under arms, proceed to Fort-Meetinghouse at Plimoth Plantation on Thanksgiving Day.

# To explore the large business opportunities in the U.S.A., first discover its small northeast corner.

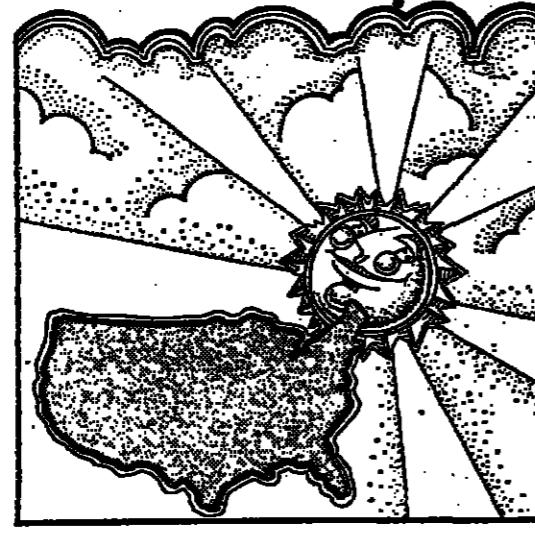
Many U.K. and Western European firms have already discovered the advantages of operating in Massachusetts and the rest of the New England region. Perhaps your organization should consider joining them.

You will find that Boston is the logical focal point, the place to begin. It is the port of entry and gateway not only for Massachusetts but for the other five New England states as well. And we are the "Bank of Boston" — the largest financial institution in the area (and, as the twelfth oldest bank in the world, we have enjoyed exceptionally close ties with Europe ever since 1784).

We'll be glad to tell you more about why our home territory offers so many opportunities to businesses, including such factors as: an ideal geographic location — closest to the U.K. and Europe by sea and air; a highly skilled labor force; favorably priced industrial sites; unmatched educational and research facilities — the highest concentration of universities and colleges in the nation; highly qualified professional and managerial talent; an atmosphere and culture which you will find extremely comfortable.

But these attractive facts are only part of the story. Our office in London will be happy to give you the rest of it. Why not have a chat soon with Paul N. Vonckx, Vice President and General Manager. You'll find him at Bank of Boston House, 5 Cheapside, London EC2P 2DE. Telephone: 01-236-2388. Telex: 886705.

And be sure to visit us during your next trip to Massachusetts. We're proud of this unusual section of the United States and you will soon understand why.



THE FIRST NATIONAL  
BANK OF BOSTON



# Man and Advertising

BY MICHAEL THOMPSON-NOEL

ADVERTISING industry's dropped because of lack of the leaked version of advertising support. The block Committee's Report system entails considerably more of broadcasting higher advertising costs.

report is due to be The IPA said if welcomed the to-day — is one of four channel proposals and also called.

Media director at while Annan seemed prepared to welcome advertising revenue as

according to him, an essential source of funds for

as turned out to be

“It's not less worrying than

“In fact, various other proposals indicate a distinct anti-

“In theory, most structural recom-

“I'm not advertising bias. The proposals to ban all advertising from children's television will raise

“colossal problems in deciding

“what constitutes a programme

“which may or may not be viewed

“by children.” The control

“reported — could be

“more deterrent to advertising

“statement, the

“of Practitioners in

“described the pro-

“of broadcast

“as a ‘bonanza for

“and ‘said it

“colossal problems’ in

“proposed ban on all

“during children's

“the industry's main

“to Annan is the sug-

“the new TV channel

“announced by sponsorship

“a block advertising

“could entail a

“The IPA also welcomes

“20-minute ‘pro-

“Annan's suggested rationalisa-

“of local radio and its pro-

“now-defunct Italian posed funding from both local

“system which was

“and national advertising.

“Coca-Cola Company's

“has come a long

“its first point-of-sale

“of oilcloth, was

“theawning of Jacob's

“in Atlanta in 1886—

“to take another U.S.

“completely new advertising

“Erickson.

“In the U.K., where Coca-Cola's

“share of the £180m. cola market

“is described as greater than the

“the slogan ‘Coke 90 or 90’

“the TV campaign will begin with a

“a 30-second ad, called ‘Dance’

“in aim of the new

“that brilliantly employs the up-

“to convince the key

“that the musically-inclined

“group that Coke is Backer regards as crucial to the

“a special occasion new theme.

“inhibited advice

“ONE AND BELLING's

“tractor is to go back to the

“drawing board. Could there be a

“advice to the inde-

“radio contractors which

“or may not relish

“negotiating the spot cosis-

“rate cards of the net-

“stations, FCB identifies

“as odd, for example,

“structure should

“off-peak segments. It

“to buy women after

“to buy them during

“listening time bands in

“following the record £14.5m.

“worth of advertising attracted

“to the radio con-

“last year.

“Some suggestions for a

“Board Luncheon:

“Asparagus Pots with Shrimps or

“Sauces Vinaigrette or

“Arachoke Hearts with Crab Meat

“Chantilly Mousse

“Lemon Meringue Pie

“Apple & Blackberry

“Pies & Crumble

“A Directors Dining Room has to be a very special

“place, particularly if used for entertaining clients and

“important visitors.

“Over many years of experience the consistently high

“standards of cuisine and service has earned us at

“Jill Ellis a reputation second to none in this highly

“specialised field of catering.

“Why not send for more information on this service

“and also for full details of our Executive and Staff

“catering facilities.

“The William Ellis Catering Service

“Good Food Well Served

“- Every Time!

“William S. Ellis Limited, High Street,

“Bexley, Kent, G15 3RD. Tel: 0273 65471

“WE \_\_\_\_\_ COMPANY \_\_\_\_\_

“DRESS \_\_\_\_\_

“Please forward Leaflets.

“Quality Catering for Directors

“Executive and Staff Catering

“and Canteen Services.

“Elliott S. Ellis

“GOOD FOOD

“SEAL OF

“QUALITY

“S.E. ELLIS LTD.

“1975



## GA's 153% rise—underwriting loss cut

A JUMP of 153 per cent. in pre-tax profit to £42.6m. is announced by General Accident Fire and Life Assurance Corporation for 1976. At half-way the increase was from £8.5m. to £13.6m.

For the year investment income increased by more than 41 per cent. to £80m. including income from investment of Rights proceeds of about £1m. And the underwriting profits have been reduced to £17.6m. (£23.7m.) from the improvement of £7.7m. was derived from the U.K.

The fourth quarter's underwriting deficit of £2.8m. compares with £1.9m. in the third, £1.5m. in the second, and £1.5m. in the first. The directors report that the third quarter was notable for a heavy incidence of subsidence claims in the U.K. and in the fourth quarter there was a minor reversal of the improving trend in U.K. C. J. C. Lilley.

Non-life premium income was up by more than 31 per cent. to £620m. of which about 25 per cent. comes from overseas.

Taking account of currency fluctuations the increase in investment income was reduced to 28 per cent. and non-life premium income to just over 19 per cent.

Margin of solvency at end-December, 1976 was 58.5 per cent.

An analysis of general business premium income and underwriting results shows: U.K. £201.5m. (£17.7m.) and £1.5m. (£1.5m.) and £10.7m. U.S. £239.4m. (£16.9m.) and £12.3m. (£11.6m.) and £12.3m. (£12.3m.) and £2m. (£2.7m.) Canada £53.9m. (£32.5m.) and £0.1m. (£1.6m.) Australia £1.6m. (£19.3m.) and £1.7m. profit (£0.4m. profit) other, including reinsurance £39.4m. (£28.2m.) and £0.4m. loss (£1m. loss).

Stated earnings per 25p share are 22p (9.5p) and per 25p share at the time of the Rights issue announcement of September 1976, dividend total is 7.25p (5.81p) on increased capital, with a final of 4.1p.

## Progress by James Walker

PREVIOUS INCOME: £m. 1975 1976  
Short-term 62.0 47.7  
General 60.9 45.7  
Marine and Aviation 23.9 13.5  
Long-term  
Life, annuities, etc. 77.4 64.5  
Investment income 68.0 68.0  
Investment loss 1.7 1.7  
General  
Marine and aviation 0.3 0.3  
Holders' long-term profits 1.8 1.8  
Investment on long-term 1.7 1.7  
Profits before tax 42.6 17.6  
Taxation 11.8 3.5  
Net profit 30.8 14.2  
Mechanical, mining, debtors 0.6 0.4  
Minerals and Prof. Divs. 0.6 0.4  
Available ordinary 29.2 13.8  
Excluding VAT, turnover of James Walker Goldsmith and Silversmith advanced from £53.1m. to £81.8m. in the six months to October 31, 1976 and pre-tax profits expanded from £834,000 to £1,045,000.

The directors report that Christmas trade was "excellent" and they are optimistic about the future.

The interim dividend per 25p share is stepped up from 0.9p to 1p net and a total 2.09p is forecast for the full year. Last year's total was 1.9082p from profits of £2.05m.

After tax of £491,000 (£524,000) the net balance emerges at £434,000 against £400,000.

\* Represents the decrease in that profit arising from the application of average rates of exchange which are those used for purposes of establishing U.K. taxable profits.

\*\* comment

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This was a surprising feature in a year when the U.K. was hit by two natural disasters—the storms

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# Stone-Platt rises 9% to £15.6m

IES increased by 23 per cent during 1976 and jumped by 20 per cent in 1975. This continues to boost overseas sales and profits by film from the UK expanded 10 per cent to 50% of the 10% of the output plants. At years-end 100 orders totalled £140m. Factors report that all new order intake in 1976 is double that in 1975, still erratic and the activity in many plants below the optimum. Further progress is planned and will be dependent on improvement in the oil trade they add.

Despite trading conditions, Platt's Electrical division did face the depressed marine division did not face the shipping division. The scrapping division had year due to the severe world markets for marine machinery but the new year is more in a nationalised manner will improve its contribution to profits when demand

The profit of the group could have been similar if not been for the cost of new operations and D.S. they add.

Net earnings per 25p improved from 31.5p to 34.5p. The net final dividend is a total of 3.235p.

The profit sheet shows a strong growth in fixed assets and in current assets at £32.1m. (25.6m.) reflecting cash up from £3.5m. Long, medium term borrowings increased from £19.8m. to £24.4m.

option of the new

accounting standard has increased the valuation of the 1975 opening and closing inventories by £1.2m. and £1.2m. respectively.

Net sales 1976 1975

Trading profit 1976 1975

Interest payable 1976 1975

Profit before tax 1976 1975

Net assets 1976 1975

Minority interests 1976 1975

Net dividends 1976 1975

Ordinary dividends 1976 1975

Extra-ord. debts 1976 1975

Retained earnings 1976 1975

External turnover 1976 1975

Trading profit 1976 1975

Interest and other income 1976 1975

Depreciation 1976 1975

Profit before tax 1976 1975

Taxation 1976 1975

Net profit 1976 1975

Preference dividends 1976 1975

Ordinary dividends 1976 1975

Retained earnings 1976 1975

External turnover 1976 1975

Trading profit 1976 1975

Interest and other income 1976 1975

Depreciation 1976 1975

Profit before tax 1976 1975

Taxation 1976 1975

Net profit 1976 1975

Preference dividends 1976 1975

Ordinary dividends 1976 1975

Retained earnings 1976 1975

External turnover 1976 1975

Trading profit 1976 1975

Interest and other income 1976 1975

Depreciation 1976 1975

Profit before tax 1976 1975

Taxation 1976 1975

Net profit 1976 1975

Preference dividends 1976 1975

Ordinary dividends 1976 1975

Retained earnings 1976 1975

External turnover 1976 1975

Trading profit 1976 1975

Interest and other income 1976 1975

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Profit before tax 1976 1975

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External turnover 1976 1975

Trading profit 1976 1975

Interest and other income 1976 1975

Depreciation 1976 1975

Profit before tax 1976 1975

Taxation 1976 1975

Net profit 1976 1975

Preference dividends 1976 1975

Ordinary dividends 1976 1975

Retained earnings 1976 1975

External turnover 1976 1975

Trading profit 1976 1975

Interest and other income 1976 1975

Depreciation 1976 1975

Profit before tax 1976 1975

Taxation 1976 1975

Net profit 1976 1975

Preference dividends 1976 1975

Ordinary dividends 1976 1975

Retained earnings 1976 1975

External turnover 1976 1975

Trading profit 1976 1975

Interest and other income 1976 1975

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Retained earnings 1976 1975

External turnover 1976 1975

Trading profit 1976 1975

Interest and other income 1976 1975

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Trading profit 1976 1975

Interest and other income 1976 1975

Depreciation 1976 1975

Profit before tax 1976 1975

Taxation 1976 1975

Net profit 1976 1975

Preference dividends 1976 1975

Ordinary dividends 1976 1975

Retained earnings 1976

# Cornhill Insurance Group

## Controlled Expansion and Record Profit

### Results

	1976 £'000	1975 £'000
Written Premiums		
General	65,583	52,213
Life	8,544	3,564
Trading Profits		
Underwriting Transfers		
General	218	(402)
Life	—	28
Investment income	5,847	3,918
Non-insurance company activities	72	28
Profit Before Taxation	5,937	3,544
Taxation	2,575	1,685
Profit After Taxation	3,062	1,858
Minorities	1	1
Profit Attributable to Shareholders	3,061	1,858

*A policy of prudent underwriting and controlled expansion enabled Cornhill to make a profit of £5,937,000, an all time record, and almost 67 per cent higher than in 1975. Non-life premiums rose from £52m to £65m, a large proportion coming from inflation. Nonetheless, real growth was achieved in certain classes and in some geographical areas and with premiums more realistically set at the levels dictated by inflation, the prospect for a more rapid expansion in 1977 is good.*

### UNITED KINGDOM

In 1976, the motor account was almost static but a satisfactory underwriting surplus was achieved.

A sharp rise in the cost of claims – particularly those from storm and subsidence – had an adverse effect on the property account. Household business was difficult with many sums insured on house property and personal effects representing less than their current replacement value. The engineering changes referred to in the 1975 report are now complete and have done much to bring the engineering account into balance.

Realistic rating levels, a continuing policy of careful underwriting and the more effective use of an expanding practical safety advisory service have enabled an underwriting surplus to be produced in the liability account.

Reinsurance loss business continues to produce a very good result but growth is disappointing.

The personal accident account continues to grow slowly and a return to an underwriting profit has been achieved.

### OVERSEAS

In Canada, the rapid pace of development experienced in 1975 was sustained throughout 1976 with written premiums more than 38 per cent up on those of the previous year. Although an underwriting profit was not achieved in 1976, the prospects for growth and profit are now good.

Better results were achieved in Australia and there are now signs that profit may be forthcoming in future years.

New Zealand underwriting losses continue but specific steps have now been taken to reduce the heavy expense costs.

In Germany, a series of large and expensive fire losses resulted in an under-

writing deficit, but the long-term prospects are good.

Progress continued in Hong Kong with new business being obtained at a satisfactory rate.

Good results came from Norway and Denmark but trading was difficult in Holland.

A number of new underwriting agencies were established during 1976 in several other parts of the world.

**LIFE**  
Further substantial growth of annual premium conventional life assurance business was achieved. The results of the triennial validation of the Life Fund will shortly be available and the first reversionary bonus for with-profits contracts will be declared.

### MARINE AND AVIATION

1976 was a most difficult year with the problems of steeply rising marine repair costs exacerbated by the sharp fall in the value of sterling. In consequence, very substantial additional reserves needed to be added to the marine fund for the years 1974 and 1975.

**SUBSIDIARIES**  
Most of Cornhill's subsidiary companies performed satisfactorily with particularly creditable results from Trafalgar Insurance Company Limited.

**FINANCIAL**  
The dividends for the year amounted to £1,300,000. After transfers to pensions and other items of £131,000, retained shareholder funds increased by £1,630,000.

Although the rate of inflation in the U.K. in 1976, fell from the unprecedented figure of 1975, it still continues at a level which necessitates further external support for the

marine and aviation

amount of tax credit in addition to net dividends paid to them automatically from April 6, 1976.

INTERPROFESSIONNELLE POUR LA COMPENSATION DES VALEURS MOBILIERES (Sicovam) said:

Part of the increase in profit, some £100,000 arising from a change in accounting basis, as regards stock valuation, in line with the recommendations of the accounting bodies. If the £100,000 is excluded, the increase in profit is 48 per cent.

This uplift has been achieved by

increased sales volume and higher

prices resulting in better margins most particularly in export markets together with a significant increase in the return from an investment in plant, reports Mr. Iain Tenant, chairman.

He adds that it should however be pointed out that towards the end of the year there were accelerated sales ahead of anticipated price increases in overseas markets and of the duty increase in the home market.

Basic earnings per 25p share

are shown to have risen from 13p to 20.5p and fully diluted from 13.8p to 21.1p. The final dividend is 2.005p, lifting the total

payment from 3,601p to 3,905p at a cost of £305,002.

Courage and Suntory have

major holdings in the company.

Turnover £10,911 14,942

Operating profit £1,022 1,492

Loan stock interest 123 123

Profit before tax 3,344 4,283

Net profit 1,787 2,162

Dividends 1,697 2,005

Equity earnings 1,590 1,995

After charging bank and debenture interest of £220,000 (£22,000).

company's capital base. Consequently the parent company, Thomas Tilling, has increased the capital of Cornhill by a further £3m to ensure that the company's position remains strong. Shareholders' funds at the year end at balance sheet value amounted to £17,237,000 and the solvency ratio at market value was 57%.

### BOARD AND STAFF

In 1976 I succeeded Mr. Stanley Hawking as Chairman of Cornhill following his resignation on retiring from his appointment as Financial Director. Thomas Tilling, the Board, thank me for thanking him for his invaluable help and guidance during the time he was a Director of the Company. Mr. Francis Black, Mr. Julian Taylor and Mr. Ronnie Taylor resigned from the Board during 1976. We are grateful to all three retiring Directors for their contribution to Cornhill.

Mr. Christopher Bostock, F.C.A., M.A. was appointed a Director on September 14, 1976.

The Board is fully aware of the problems created by the present economic difficulties and is grateful for the support received during 1976 from dedicated staff in all parts of the world and thanks them for their contribution towards a most satisfactory result. The continuing support of policyholders, brokers and agents is warmly acknowledged.

### OUTLOOK

Although substantial, the level of profit achieved by Cornhill is still insufficient to sustain a fast rate of growth in an inflationary economy and more capital will need to be invested in both Cornhill and in other United Kingdom insurance companies if they are to retain their position as leaders in the world insurance market. But it needs to be remembered that capital can only be attracted to any industry by the prospect of a reasonable return on its investment. And, in turn, this requires the acceptance by both Government and consumer that reasonable levels of operating profit are achievable. These can only be achieved by more adequate premiums. There are, I believe, signs that this essential prerequisite is becoming more generally understood and I therefore look forward to the future with more confidence than has been possible for a number of years.

COLIN J. DRAFER

Chairman

Copies of the full statement and the Report and Accounts may be obtained from the Secretary at 32 Cornhill, London EC3V 5JL.

**Cornhill Insurance Group**  
A member of the Thomas Tilling Group

## Second half lifts BICC to £43.5m.

A SECOND HALF rise in pre-tax profit of £7.6m. to £22.6m. boosted BICC to £43.45m. for 1976, 31.5 per cent higher than the £32.27m. for 1975. Mr. C. H. Broughton Pipkin, the chairman, says he anticipates an overall continuing improvement in performance in 1977.

Mr. Broughton Pipkin points out that pre-tax profit is up in spite of adverse trading conditions and the present economic situation. He stresses the importance of the improved performance of the U.K.-based companies, particularly Balfour Beatty, which is now making a healthy contribution to profit.

He also notes the substantial expansion in export sales (47 per cent up), which, together with sales of overseas companies, now account for 58 per cent of total sales.

However, the chairman warns that the profitability of U.K. manufacturing is still unsatisfactory – particularly if the effects of inflation are taken into account.

Earnings, adjusted for last April's rights issue, are shown to be up from 9.86p to 9.7p, and the dividend is maintained at 6.61p net per 50p share.

**Group sales** £58.4 £52.1  
**EBIT** £10.2 £12.1  
**Overseas** £35.7 £36.1  
**Operating profit** £10.1 £12.5  
**Pre-tax profit** £7.6 £2.25  
**Taxation** £2.04 £1.42  
**Net profit** £5.58 £1.81  
**Preference dividends** £0.09 £0.08  
**Attributable Ord. Div.** £1.51 £1.02  
**Ordinary dividends** £0.79 £0.79  
**Retained** £2.22 £1.64

The results exclude extraordinary losses on investments of £5.91m. (£5.77m.). Operating profit includes profit

on part realisation of U.K. base stock of copper £1.8m. (nil), profit on redemption of debentures and bonds £347,000 (£824,000), and is struck after depreciation of £19m. (£16.8m.). The profit on part realisation of U.K. base stock of copper arose from a temporary suspension of operations at the electrolytic refinery, the directors state. During this period the capacity of the plant is being tested.

The overall increase in the tax charge from an effective rate of 43.5 per cent to 52.9 per cent is due partly to the fact that the change in 1976 was abnormally low and also due to the fact that in 1976 there has been an increase in the level of unrecovered losses of overseas companies, say the directors. In addition there is a higher effective rate of tax on U.K. companies due to the incidence of local tax or contracting profits overseas in respect of which full rate taxation is levied.

Estimated losses of £2.75m. (£2.55m.) arising on translation of foreign currency borrowings into sterling have been excluded from extraordinary items. These are now dealt with through reserves and are offset against increases arising in the translation into sterling of the net assets of overseas subsidiaries, amounting to £5.3m. (£5.85m.).

A breakdown of contributions to pre-tax profit shows Balfour Beatty £4.24m., BICC £4.04m., BICC International Products £1.05m., Balfour Beatty £2.58m. (£2.47m.).

Net current assets are shown at £12.59m. (£13.51m.), and are stated after deducting net bank borrowings of £11.5m. (£11.5m.).

See Lex

The Financial Times Thursday March 24 1977

**MAYNARD** 11c

Manufacturers and Retailers

of CONFECTIONERY

Wholly owned Subsidiary Companies

SUN D'OR LTD — MAYNARD'S (Gandy) LTD

ZODIAC (Toys) LTD

### Group Interim Result

For the half year ended December 1976 (unaudited)

	Half year ended December 1976	Half year ended December 1975
Sales (excluding sales within the Group & VAT)	£15,488	£12,506
Trading Profit and other revenue	999	766
Exceptional items	24	—
Estimated United Kingdom taxation	1,023	766
Profit after taxation	468	366

Group profits show a satisfactory advance on those.

Factories have achieved the anticipated improve-

value, tonnage and profit.

Confectionery and toy retailing divisions again

record sales, and the overall retail profits were fu-

lled.

Manufacturing has ceased in Canada and the retail

division operation has been sold.

Group sales continue to increase in the

present quarter, but it still

remains unwisely to forecast future

profit trends.

Our capital expansion programme is

being continued.

An increased interim dividend of 5.5

per cent will be paid on 23rd May,

1977, being the maximum rate of

increase permitted by present Govern-

ment regulations.

See Lex

## Glenlivet achieves 54% profit expansion

MAINTAINING progress made in the first half, taxable profit of £1.1m. increased to £1.45m. (£1.10m.) in 1976.

INTERPROFESSIONNELLE POUR LA COMPENSATION DES VALEURS MOBILIERES (Sicovam) said:

Part of the increase in profit, some £100,000 arising from a change in accounting basis, as regards stock valuation, in line with the recommendations of the accounting bodies. If the £100,000 is excluded, the increase in profit is 48 per cent.

This uplift has been achieved by increased sales volume and higher prices resulting in better margins most particularly in export markets together with a significant increase in the return from an investment in plant, reports Mr. Iain Tenant, chairman.

He adds that it should however be pointed out that towards the end of the year there were accelerated sales ahead of anticipated price increases in overseas markets and of the duty increase in the home market.

Basic earnings per 25p share are shown to have risen from 1



# AAC

## The Afrikander Lease Limited

(Incorporated in the Republic of South Africa)

### Interim Report—1977

The directors submit their report on the operations of the company for the half year ended December 31, 1976. The report includes comparative figures where applicable in respect of the immediately preceding corresponding interim accounting period, viz. the six months period ended December 31, 1975.

#### FINANCIAL RESULTS

The company applies the accounting policies generally adopted by the gold-mining industry in South Africa and all costs prior to commencement of production are capitalised.

#### MINING ASSETS

During the six months ended December 31, 1976, an amount of R184 000 (1975: R106 000) was added to mining assets.

#### LOANS

On November 26, 1976, the amounts advanced by Anglo American Corporation of South Africa Limited and AAC Investments Limited amounting to R533 000 and R54 000, respectively, were repaid from funds received from the issue of 1 552 500 shares.

#### DIVIDENDS

No dividends were declared or paid during the six months under review.

#### TAXATION

No taxation has been provided for the six months under review as the company has no taxable income.

#### SUBSIDIARY COMPANY

The company owns the total issued share capital of Western Klerksdorp Investments Limited. A group interim report has not been prepared, as in the opinion of the directors it would be of no real value in view of the insignificant amounts involved in the subsidiary company.

The book value of the investment in Western Klerksdorp is R2 (1975: R2). Western Klerksdorp's remaining assets consisting of mining rights have an indicated book value of R5 000. These are to be transferred to The Afrikander Lease Limited for a nominal sum. On completion of the transfers Western Klerksdorp will have no assets or liabilities and application will be made to the registrar of companies for its deregistration.

#### COMMITMENTS

The estimated commitments at December 31, 1976 amounted to R184 000 of which R121 000 was in respect of the purchase of mineral rights. These mineral rights were transferred into the name of the company and paid for on February 18, 1977.

#### OPERATIONS

In October 1976 the directors decided, upon the recommendation of the technical advisers to the company, to proceed with the detailed feasibility study referred to in the directors' report for the year ended June 30, 1976, to determine whether or not a viable uranium mine can be established within the company's area.

A rights offer of 1 552 500 shares of a nominal value of two cents each in the capital of the company, was made to members registered as such on October 22, 1976, for subscription in cash at a price of R2.10 per share, in the proportion of 30 such shares for every 100 shares held at that date. The offer, which was underwritten by Anglo American Corporation of South Africa Limited, raised R2 260 250 of which R537 000 has been utilised to repay outstanding loans granted to the company and the balance, slightly in excess of R2.3 million, is to meet the estimated cost of the feasibility study.

The feasibility study comprises, inter alia, the delineation of payable ore reserves, the optimum size and layout of a mine, metallurgical plant design, determination of the conditions of sale of the uranium output on long term contract and an overall financial evaluation. The feasibility study is expected to be completed in the second half of 1977 and a decision whether or not to go ahead with a mine could be made before the end of the year.

Laboratory tests are being carried out by Anglo American Research Laboratories (AARL), on behalf of the Anglo American Corporation Group as a whole, on the possibility of achieving higher extraction efficiencies by means of pressure leaching uranium from its host rock, a process used successfully for the recovery of other minerals in a number of overseas and local plants. The results of these tests have so far indicated that the extraction of uranium from the company's ore can be improved by means of an acid leach at high pressure and temperature and an overall recovery in the region of 84 per cent may be possible in a full-scale treatment plant. Data obtained from these tests is being studied by Sherritt Gordon Mines Limited, a Canadian company with particular expertise in pressure leaching processes, who under an agreement with Anglo American Corporation, are assisting in developing the process so that it can be applied to the uranium-bearing ores of mines in the group. Portions of the company's ore samples examined by AARL have been sent to Sherritt Gordon for complementary test work.

In addition to the Anglo American Corporation Group's own research, a pilot pressure leach plant has recently been commissioned at Western Deep Levels Limited on behalf of the members of Nuclear Fuels Corporation of South Africa (Proprietary) Limited, to investigate whether recoveries obtained in the laboratory can be achieved on a larger scale and this facility will be made available to test the company's ore and to optimise the design parameters of a leach plant.

#### DRILLING

As part of the studies presently being undertaken, the company is proceeding with the drilling of exploratory boreholes on areas of certain farms over which the company owns mining, mineral or prospecting rights.

#### CAPITAL

Following the increase of the authorised capital of the company in September, 1976, to R8 000 000 shares of two cents each, and the rights issue referred to above, the company's issued capital now stands at 6 727 000 shares of a nominal value of two cents each.

#### DEREGISTERATION OF SUBSIDIARY

Rietkull Mining Company Limited, previously a wholly-owned subsidiary of the company, was deregistered on September 24, 1976, in terms of Notice No. 633 of Government Gazette No. 5299.

For and on behalf of the Board  
D. A. Etheridge | Directors  
D. B. Hoffe | Directors

Administrative and Technical Advisers and Secretaries:  
Anglo American Corporation of South Africa Limited.  
44, Main Street.  
Johannesburg 2001.  
(P.O. Box 61587 Marshalltown 2107).

Transfer Secretaries:  
Consolidated Share Registrars Limited.  
44, Main Street.  
Johannesburg 2001.  
(P.O. Box 61051 Marshalltown 2107).

and  
Charter Consolidated Limited,  
P.O. Box 102,  
Charter House,  
Park Street,  
Ashford, Kent, TN24 8EQ.

Head Office:  
44, Main Street,  
Johannesburg 2001.  
London Office:  
40, Holborn Viaduct,  
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Year Ended 30th September, 1976	1976 £000	1975 £000
Turnover	158,504	141,725
Group Trading Profit	9,570	7,829
Group Net Profit before Taxation	4,760	3,639
Dividends Distributed		
Cost to Company	847	765
Shareholders Funds (issued Capital and Reserves)	27,554	22,341
Capital Employed (Shareholders Funds, Debentures, Loans, Deferred Taxation and Minority Interests)	46,274	38,649
Fixed Assets	34,024	26,260
Net Current Assets	12,092	12,532

Number of Shareholders 6,500  
Value of Group Properties £21,600,000  
Number of Employees (excluding Rhodesia) 7,208  
Number of Apprentices 418

Copies of the 1976 Report and Accounts may be obtained from the Secretary, Manor Offices, Old Road, Chesterfield.

**KENNING MOTOR GROUP**

### BIDS AND DEALS

## Jackson & Steeple gets 40p cash offer from Hawkins

John Hawkins and Sons (Holdings) has agreed terms for the acquisition of the 82 per cent it does not already control of Jackson & Steeple, the Blackburn textile group, in a deal which values Jackson at £808,000. The terms are 40p cash per Jackson share. The Menaged family, which owns Hawkins, also owns 61 per cent of Jackson and Steeple, and intends to accept the offer.

Hawkins, an unlisted company, is engaged in similar activities to Jackson and Steeple, namely manufacturing and merchandising of textile goods, although, unlike Jackson and Steeple, Hawkins has no spinning and weaving facilities.

The two groups have had a close relationship for a number of years and Mr. W. Beesley and Mr. Joseph Venzed sit on the Boards of both companies.

Jackson reports an attributable profit of £121,615 for the year to January 1, 1977 (£84,236 loss), but this does not take account of a further write-down of £104,000 on an associated company investment, which has been charged to reserves.

Turnover increased from £3.1m. to £3.7m. The directors are not recommending a dividend.

**BLUE CIRCLE MAY BUY REST OF HUBERT DAVIES**

Associated Portland Cement Manufacturers' South African subsidiary, Blue Circle, announced yesterday that discussions are in progress which may lead to an

offer being made for the 35 per cent of Hubert Davies which it ahead of the official rejection document from Atkins.

#### JOHN JAMES

The John James Group of Bristol has acquired Mendles Bros, the Rhondda Valley manufacturer of plastic householdware and its associated company, J. M. Walter for £225,000.

#### MORRIS CLOSES 20p ABOVE INCREASED BABCOCK OFFER

Shares in Herbert Morris rose by 25p to 225p yesterday in response to the news late on Tuesday that Babcock and Waddell, which already owns almost 40 per cent of Morris, had increased its offer from 149p to 205p cash per share.

This response underlines the market's continuing expectation that a higher offer will be made by the merchant bankers Kleinwort Benson, advising Herbert Morris, confirming yesterday that takeover talks were still in progress with third parties. However, the identity of these other parties is still being kept secret and it appears unlikely that they will surface until the official document from Herbert Morris is issued to shareholders in around one week's time.

Details of the proposed dividend are expected to be included along with the profit forecast for the current financial year. A revaluation of assets may also be incorporated.

Meanwhile, the Babcock camp

which may lead to an

## Boots in Yugoslavia

The Boots Co. the Nottingham-based retail chemists and pharmaceutical manufacturers, is to take a 49 per cent stake in a company being formed in Yugoslavia.

Main activity of the new joint venture company will be the production and marketing of Brufen Boots' major anti-rheumatic drug within Yugoslavia and Eastern Europe.

Sales of Brufen in Eastern Europe reached about £1m. in 1976. Setting up the company is seen by Boots as the best means of ensuring the growth and protection of its business in Eastern Europe.

The company is being set up jointly with Galenika Pharmaceutical and Chemical Industry, one of the largest pharmaceutical enterprises in Yugoslavia. Initial investment capital will be about £1m., of which Boots will contribute 49 per cent, the maximum permitted by Yugoslav law.

Subject to approval by the respective authorities, the company will start operating in 1978. It is the continuation of six years of negotiations between Boots and Galenika.

It is believed to be the first major joint venture in Yugoslavia concerned with Pharmaceuticals. The deal was arranged by F. and C. Management and the price was 149p per share.

processors, has led to the departure of Mr. A. Simmons, chief executive and group managing director.

In a statement yesterday the Board said that Mr. Simmons had resigned and that at his request it had agreed to release him from duty with effect from Friday, March 23.

In 1973 Louis C. Edwards made a pre-tax loss of £390,000 and at the halfway stage reported a further loss of £216,000. However, the Board stated that losses had been arrested and that there would be a substantial improvement in the overall group result for 1978 compared with the previous year.

A spokesman for the company, explaining that Mr. Simmons' departure was due to a policy disagreement, said that nothing had occurred to alter the Board's view of the year's trading, the results of which are expected shortly.

In a statement issued yesterday following the Kingside annual meeting on Tuesday, the Board said its policy is to consider all possible alternative methods of maximising the return of assets to shareholders within 12 months. At the end of February, net assets per share amounted to 149p.

Mr. Alec Pilkington, retiring chairman and founder of Kingside, disassociated himself from this policy statement as strongly as possible at the annual meeting. In his last chairman's statement he said that utilisation was not shareholders' best interests. The departing directors are Mr. C. Hill-Wood, Mr. J. G. Pinckney, Mr. D. J. Jackson, the last two being non-executives of J. H. Vavasseur the troubled financial and investment group which had acted as investment managers for Kingside—and Mr. R. C. L. Pilkington, a cousin of Mr. Alec Pilkington and ironically also a partner in Hedderville Sterling Grumbar which has represented shareholders in the affair.

Mr. Pilkington's son, Mr. T. C. Pilkington, remains on the Board along with Mr. M. Heathcote Amory and Mr. A. C. Heber-Percy.

## B. Hughes back in profit

Belfast-based bakers and confectioners Bernard Hughes reports a pre-tax profit of £165 for the 26 weeks to September 25, 1976, on turnover of £2.23m. There was no tax charge. Earnings per £1 share are stated as 0.3p. Comparisons are not available.

The directors state that the recommendations of the consultants have proved to be beneficial and it is expected that a profit will be made for the full year.

The company made a loss of £274,824 in the year ended March 31, 1976.

## L. C. Edwards chief quits

A boardroom disagreement at Louis C. Edwards, the Manchester-based butchers and meat

The Financial Times Thursday, March 24, 1977

## KIF takes 16% stake in Attock Petroleum

Kuwait International Finance said last night it has acquired a 16 per cent stake forward in Attock Petroleum on behalf of the clients which at yesterday's closing price of 80p, up 2p, is worth £3.13m., valuing the whole group at £19.6m.

The KIF stake includes a 10 per cent stake purchased from Berry Brothers on behalf of Romai Wiggins at an undisclosed price. Other major shareholders include Steel Brothers with a 14.5 per cent stake.

Attock is an oil exploration, refining and marketing group and is the largest indigenous producer of oil in Pakistan. In the U.K. it has a 20 per cent interest in a consortium which has an exploration licence onshore in the East coast of Scotland.

**NATIONWIDE LEISURE**

Nationwide Leisure International, established in Luxembourg, was founded by Arab Investors in 1974.

The directors consider that the acquisition price is fully supported at the completion date Abedi, who has represented KIF or agreed to acquire the shares of the net assets of VMC.

Mr. Tim Torrington, of Attock, said: "At 10p in cash

the offer will be accepted."

**General Accident**

**Results for 1976**

The audited accounts for the year to 31st December 1976 will be published on 2nd May 1977, but preliminary and unaudited figures for 1976, with actual figures for 1975, are as follows:

	1976	1975
	£M	£M
Premium Income: Short Term Business		
General	600.3	455.9
Marine and Aviation	20.0	15.8
	<b>620.3</b>	<b>471.7</b>

# Business and Investment Opportunities

DEALERS ARE RECOMMENDED TO TAKE APPROPRIATE PROFESSIONAL ADVICE BEFORE ENTERING INTO COMMITMENTS

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## INTERNATIONAL FINANCIAL AND COMPANY NEWS

## Degussa restores dividend rate on record turnover

BY JOHN WICKS

THE FRANKFURT-BASED industrial concern Degussa recommends distribution for the financial year ended September 30 last of a dividend of DM19 per cent. of DM50 nominal value, accounting for DM857m. (547m.) of group turnover. This return to an IS per cent. rate follows a drop in Degussa's dividend for 1974-75 to DM7.50 per cent.

Group turnover, which fell off in the previous financial period, Degussa's Alabama chemical works near Mobile, the two first rose 16 per cent. in 1975-76 to a production level of DM2.25bn.

The metals sector of group activities accounted for chemical plant in Antwerp was DM2.24bn. and the chemicals and completed during the past financial year.

ZURICH, March 23.

special products operations for clal year. At a Frankfurt Press conference this week, Degussa chairman Mr. Paul Ungerer indicated that the next large-scale projects in a further country — once the Alabama plant has been built up — will be in Brazil, where the concern already has various manufacturing operations.

Overall growth has continued into the new financial year, said Ungerer, though at a slower rate. This was, however, due in part to lower precious metal prices and a decline in metals trading as a result of which metal operations in the first five months of 1975-76 have shown an 8 per cent. drop for the parent company and one of 9 per cent. for the group. Overall turnover has risen by 4 and 5 per cent. respectively, though, since non-metal sales have gone up during the five months by 20 per cent. for the parent undertaking.

There are, however, two other factors. Cockerill directors have added what they call "a prudent revaluation" of company plant and offices of B.Frs.1.4bn. in to their profit and loss account.

Second, for tax reasons the

## Cockerill halves loss to BFr1.9bn.

BY DAVID BUCHAN

BRUSSELS, March 23.

COCKERILL, which produces a third of all Belgian steel, managed to halve its net losses for 1976 to B.Frs.1.9bn. (130m. com last year, the year before. But for the second consecutive year, the company is not

paying a dividend.

This somewhat negative improvement is largely due to a relative pick-up in the steel market from the very bad year of 1975: the gross operating profit last year actually showed a small profit of B.Frs.346m. against the enormous 1975 loss of B.Frs.2.5bn.

There are, however, two other factors. Cockerill directors have added what they call "a prudent revaluation" of company plant and offices of B.Frs.1.4bn. in to their profit and loss account.

The holding company is to convert a B.Frs.3bn. (557m.) loan made to the bank in 1975 into 2m. shares in the bank from B.Frs.1.500m. each, roughly the present stock market quotation. The loan was originally granted to help the bank cover foreign exchange losses made by the Banque de Bruxelles a couple of years ago. It was just after the discovery of these losses that the Banque de Bruxelles merged with the Banque Lambert to form the present bank.

The B.Frs.3bn. loan was shortly due for repayment this year. But B.Frs.3bn. has had certain difficulties in meshing together its two former components — in particular the rationalisation of personnel — and was in no very good position to repay the loan. This, rather than to increase control of the bank, is apparently why Compagnie Bruxelles has chosen to take repayment in shares.

To keep BBL's public shareholders happy, the directors have decided that the holding company will not get preferential rights on its new shares, and will waive preferential rights on its existing 300,000 shares, with regard to any future capital increases.

The loan conversion certainly relieves BBL of a considerable burden. Given the state of the Bruxelles house, the bank could scarcely have repaid the loan out of a new public share issue. Mr. J. Thierry, BBL's president, also told the Press that the bank's dividend for 1976 would be at least as much as the 1975 gross dividend of B.Frs.50.

## GIS share offer flags

ROME, March 23.

ONLY 17.3 per cent. of shares of nine construction firms, the Banco di Roma, which together hold about 39 per cent. of Immobiliare's capital before the capital increase, Bourse 82.7 per cent. left unsubscribed, sources said.

Generale Immobiliare SpA. The low proportion of subscriptions illustrates the severe uncertainty over the company's

activities accounted for chemical plant in Antwerp was

subscribed to by the consortium Reuter

## SANDOZ OVERSEAS LIMITED

## SANDOZ LTD.

Notice to the Holders of the 40,000 Units in the form of Bearer Depositary Receipts exchangeable into Bearer Participation Certificates ("BPCs") of Sandoz Ltd. and 41% Guaranteed Convertible Debentures Due 1988 of Sandoz Overseas Limited

## Sandoz Ltd. — Subdivision of BPCs, Increase of Capital and Issue of BPCs

The Board of Directors of Sandoz Ltd. will make the following proposals to the Ordinary General Meeting of Shareholders to be held on May 12, 1977:

1. that each existing BPC of Sfr.250 nominal value be split into 5 BPCs of Sfr.50 nominal value each.

2. that the present share capital of Sfr.223,857,000 nominal be increased by Sfr.22,286,000. Sfr.23,13,000 nominal and 46,450 BPCs of Sfr.50 nominal value each be created and issued; that 10 registered shares or 10 bearer shares, each with a nominal value of Sfr.50, give the right to subscribe to one new share of the same category; that 2 BPCs with a nominal value of Sfr.250 each (= 10 BPCs with a nominal value of Sfr.50 each) give the right to subscribe to one new BPC with a nominal value of Sfr.50; that the issue price be set at Sfr.625 per share of Sfr.250 nominal value and Sfr.125 per BPC of Sfr.50 nominal value; that the payment for the new securities take place on July 1, 1977; that the new securities be entitled to a pro rata dividend as from that date; and that the subscription period be from May 23 to June 3, 1977-inclusive.

## Advancement of Exchange Date

After consultation with Crédit Suisse White Weld Limited, Sandoz Overseas Limited and Sandoz Ltd. have determined that the exchange of the 40,000 Units in the form of Bearer Depositary Receipts into their two components, i.e.

(a) 40,000 BPCs of Sandoz Ltd. of Sfr.250 nominal value, entitled to dividend as of January 1, 1977 (to be subdivided, provided that all necessary approvals are given, into 200,000 BPCs of Sfr.50 nominal value each);

(b) 40,000, 41% Guaranteed Convertible Debentures Due 1988 of \$1,500 principal amount each of Sandoz Overseas Limited, can be requested on and after April 22, 1977 (the "Exchange Date").

## Procedure for Exchange

The holders of the 40,000 Units may surrender their Units to Crédit Suisse, Department Wke, Paradeplatz 8, 8001 Zurich.

Zurich, March 24, 1977

Credit Suisse as Exchange Agent and the other paying agents as specified in the Terms and Conditions of the Units will act free of charge to the Unitholder. Units to be exchanged have to be accompanied with instructions for delivery of the above-mentioned components. Forms for the exchange of Units are available at Credit Suisse, Department Wke, Paradeplatz 8, 8001 Zurich, or at the offices of the other paying agents. Delivery of Convertible Debentures and BPCs is scheduled to start on May 13, 1977.

Those Unitholders who present their Units for exchange up to and including May 20, 1977 will receive BPCs with Coupons No. 43 attached. Subject to all necessary approvals being given, to Coupons No. 43 from BPCs with a nominal value of Sfr.50 will give the right to subscribe to 1 BPC of Sfr.50 nominal value at a price of Sfr.125.

## Suspension of Exchange of Units

In accordance with the Terms and Conditions endorsed on the Bearer Depositary Receipts Credit Suisse, as Depository, has decided that the exchange of Units will be suspended from May 23, 1977 to June 3, 1977 inclusive (the subscription period for the rights issue). For those Units which are not presented for exchange by May 20, 1977, Credit Suisse as Depository of the underlying BPCs will sell the subscription rights attached thereto at its discretion and will convert the net proceeds of sale into U.S. dollars and retain the same for the Unitholder if and when he exchanges after June 3, 1977, but without any entitlement for the Unitholder to receive interest on such net proceeds.

## General

Attention is also drawn to the fact that no payments of interest on the Convertible Debentures or dividends on the BPCs will be made to Unitholders until they exchange their Units, nor will the Depository effect conversion of Convertible Debentures held by it.

It is expected that the BPCs of Sandoz Ltd. will be listed and traded with their new nominal value of Sfr.50 as from May 13, 1977.

The new conversion price in relation to the Convertible Debentures of Sandoz Overseas Limited will be published in early June 1977. The Convertible Debentures are expected to be listed on the Luxembourg Stock Exchange by May 13, 1977.

Credit Suisse as Depository

## SANDOZ OVERSEAS LIMITED

## SANDOZ LTD.

U.S. \$64,000,000 41% Guaranteed Convertible Debentures Due 1988 of U.S. \$1,600 each of Sandoz Overseas Limited

In compliance with the Trust Deed constituting the above-mentioned Debentures, notice is hereby given that Sandoz Ltd. is proposing to its Shareholders that with effect from May 12, 1977 each of its Bearer Participation Certificates of Sfr.250 nominal value be subdivided into five Bearer Participation Certificates of Sfr.50 nominal value each. Commercial Union Assurance Company Limited, Trustee for the above-mentioned Debentures, has accordingly concurred in the appropriate alterations to the text of the definitive Debentures comprising the above issue, which have not yet been delivered, so that, assuming that the above proposals come into effect, they specify a right of conversion on the part of each Debenture into five Bearer Participation Certificates of Sfr.50 nominal value each at a conversion price of U.S. \$320 per Bearer Participation Certificate instead of 1 Bearer Participation Certificate of Sfr.250 nominal value at a conversion price of U.S. \$1,600 per Bearer Participation Certificate.

Notice is hereby also given that Sandoz Ltd. will simultaneously be proposing to its

Shareholders a capital increase and issue of Bearer Participation Certificates which will take the form of an offer to holders of bearer shares and registered shares of Sfr.250 nominal value each and Bearer Participation Certificates of one new bearer share or registered share of Sfr.250 nominal value for every 10 bearer shares or registered shares of Sfr.250 nominal value each and one Bearer Participation Certificate of Sfr.50 nominal value for every 10 Bearer Participation Certificates of Sfr.50 nominal value each (following such subdivision), the new securities being offered at a price of Sfr.625 for each bearer share, Sfr.625 for each registered share and Sfr.125 for each Bearer Participation Certificate. The "Exercise Date" for the purpose of the above-mentioned capital increase and issue of Bearer Participation Certificates will be May 13, 1977 and notice of any adjustment in the Conversion Price and the consequent rate of conversion in respect of the above-mentioned Debentures will be published as soon as practicable after the adjustment becomes effective.

Sandoz Overseas Limited Sandoz Ltd.

## Record growth for BAWAG

BY PAUL LENYAI

VIENNA, March 23.

BAWAG, the Austrian Union Bank, has reported the "highest ever growth" in its balance sheet total and in all major sectors.

Total assets last year jumped by 26 per cent. to Sch.30.7bn. (U.S.\$1.08bn.), said Mr. Walter Floettl, Director General and chairman of the Board. This means that during the past five years the consolidated balance sheet increased by Sch.19.3bn. or 88 per cent.

This was attributed by Mr. Floettl to the enormous expansion of domestic and foreign activities. Net profit after tax rose by 124 per cent. to Sch.357m., while commission income jumped by 33.8 per cent.

The company said it expects fiscal 1977 will bring growth consistent with company aims and long-term progress record.

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# It's working. Our 1976 earnings were a record \$3.58 per share.



IC Industries' net income per common share in 1976 was ninety-three cents greater than in 1975—up 33% and well ahead of any previous year. Net income was up 25% to \$81 million.

Our diversification is working. In nine years, we've grown from a \$500 million regional railroad to a \$1.7 billion multi-business corporation.

Our IC Products Company—composed of two of our five business groups: Commercial Products and Consumer Products

again showed record sales and pre-tax income in 1976. Sales were up 12% to nearly \$950 million. Pre-tax income reached almost \$90 million, 24% greater than the previous high.

1976 was a very good year. Our Midas International Corporation opened 100 new Midas Silencer Shops; our Abex Corporation introduced the first pollution-free railroad brake shoe in the world; our Pepsi-Cola General Bottlers introduced Pepsi Light throughout its six-state marketing area.

If you'd like to know more about the other business "eggs" we keep in separate baskets, write in Europe: IC Industries, Steckstrasse 38, 8002 Zurich, Switzerland.

IC INDUSTRIES CONSOLIDATED STATEMENT OF INCOME		
Year ended December 31, 1976 and 1975		
	1976	1975
Sales and Revenues	\$1,698,532	\$1,504,835
Income before Taxes	95,672	58,453
Taxes on Income	34,639	9,855
Net Income	60,833	48,600
Net Income per Common Share	\$3.58	\$2.65
	33.1	

## IC Industries

Diversified in five business groups:  
Commercial Products, Consumer Products, Real Estate,  
Financial Services and Transportation.

a technological advance which represents development and marks a new era in television electronics design. No other 110° colour tube system in the world is so advanced.

### What is the 20AX system?

It is the only fully self-converging slimline 110° tube system available for picture tubes in 18, 20, 22 and 26 inch sizes.

### How do ordinary TV sets work?

Until now the inside of most colour TV screens has been coated with a million dots of red, green and blue phosphors, arranged in tiny triangles.

The dots become a colour picture when they are made to glow by firing beams of electrons at them from three electron guns housed in the neck of the picture tube.

The guns, one for each colour, are arranged, like the dots, in a triangle.

The beams are guided to their targets through thousands of tiny holes in what is known as a shadow mask. Getting

Because this new 110° colour tube system is the most important advance in set design since the arrival of colour TV itself. Tube bulkiness and circuit complexities have been 'designed-out'. The result? Slimmer, elegant, more reliable sets which warm up fast, maintaining a first-class colour picture over a much longer period.

20AX—it's known as 'Eurocolour' across the Channel—is a dramatically simpler way to get colour TV precisely right. It is more than twenty years research and television electronics design. No other 110° colour tube system in the world is so advanced.

### So how is 20AX better?

20AX gets rid of the complexities, using guns arranged in a line rather than a triangle, a slotted shadow mask, vertical phosphor stripes and a self-converging deflection yoke. The result is perfect colour registration from the centre of the picture right out to the

corners. The 20AX system achieves this automatically, eliminating many components and adjustments required in conventional sets.

# Need for super-clean water spurs European development

BY RHYNS DAVID

A CHEMICAL product which, when exchanged for other less undesirable ions, produces water with a purity 10 times that achieved by distillation is currently the focus for where ion exchange resins are used—the calcium and magnesium ions which cause deposits in pipes, boilers and kettles can be removed if passed through a sodium-treated ion exchange system. The objectionable calcium and magnesium ions are left behind with their places being taken by non-objectionable sodium ions.

Rohm and Haas, the U.S. producer, has recently announced that it will be building a big new plant in France to produce ion exchange resins, and is currently considering adding further specialist production facilities to a similar plant in the U.K.

Dow Chemical, which has been importing ion exchange resins into Europe from the U.S. since 1972, announced at the end of last year it would be building manufacturing facilities in Europe. The plant is expected to be in operation by 1979 but its location, capacity and cost have yet to be revealed.

Another U.S. producer, Diamond Shamrock, which has a share in a French manufacturer, has acquired a stake in the U.K. market with its purchase—again at the end of last year—of Zeroil, ion exchange subsidiary of Portals Holdings.

The excitement has been generated by the expectation of continued rapid growth in demand for ion exchange resins which are in increasing demand from a wide range of industries for purification and pollution control purposes. While the market is never likely to be very large, the product meets other needs among them—need water which is completely pure for some processes. This means that all ion traces must be removed and this again can be done by using the ion exchange system.

The very small television cameras now being manufactured in the U.S. are among products which have depended for their development on ion exchange resins. The cameras, which are not much bigger than a 35mm still camera, use very small silicon imaging devices slightly larger than a thumbnail, into which more than 100,000 distinct picture elements are packed. To perform properly each element must be free of contamination, making it necessary to use ultra-pure water for rinsing purposes in the production of the silicon devices.

Water treatment, in a wide range of fast-growing added value areas, is against this background for the acrylics industry. It is in a newly developed market for the resins and this is expected to average a 15-20 per cent growth rate over the next few years.

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société d'ENGINEERING cherche  
**GENIEUR EXPERIMENTE**

domaine du COMMISSIONING et de la MISE EN TATION

portante unité de production chimique.

d'assurer la coordination et l'organisation entre les sous-traitants et nous-mêmes du programme de commissioning sur manuels opératoires, test run, listing des rechanges, organisation.

de prendre la direction des opérations précédentes y compris l'entretien du complexe pendant la durée de ces opérations, les mesures de sécurité étant assurées. La responsabilité du déroulement du programme de formation sur place sera de son ressort.

de contrôler les délais et les budgets des deux phases ci-dessus.

les ordres du Field Manager.

ation de cette activité étant réalisée en Europe, il exige de fréquents déplacements et des séjours à l'orient. La connaissance de l'anglais est du st indispensable.

ération qui est en rapport avec les responsabilités comprend un treizième mois, une gratification et une d'gence. D'autres avantages extra-légaux mentionnés par l'employeur.

dates sont invités à adresser un curriculum vitae détaillé en indiquant les préférences à

UNIVERSAL MEDIA

122, chaussée de La Hulpe, 1050 Bruxelles

retira.

Illez mentionner sur l'enveloppe la ref. FT/193.

**Company Secretary  
(Designate)**  
Wiltshire. £8,000+Car

A highly successful company engaged in the manufacturing and merchandising of medicinal chemicals, to appoint a qualified person due to the impending retirement of the present Company Secretary. The company, which has an excellent record of turnover and has three factories which extract and purify chemicals from raw materials produced by their own tree plantations.

The position covers the total secretarial functions, including the administration of meetings, share actions and liaison with the financial Director. A particular emphasis will be placed upon the preparation of current legislation, the provision of information concerning the legal requirement of the Pensions Act and administration of the pension fund.

Candidates, ideally aged 35-40, should be experienced Secretaries with at least 3 years' experience in a small to medium Company. They should be willing to fulfill their career ambitions with this position and accordingly formal appointment as any Secretary will be within 2 years to be followed by Board position.

Telephone Graham Ince - Luton 417562  
PEP, Park Street, LUTON, Beds.

**PROFESSIONAL  
and EXECUTIVE  
RECRUITMENT**

Candidacy is open to male or female candidates.

**S. REFSON & CO. LIMITED**  
requires an Administration Manager  
for its wholly-owned subsidiary company

**ITY MERCHANTS LIMITED**  
merchants Limited, is a confirming house  
ing a growing volume of business in a wide  
of countries. It operates from independent  
premises in the City and the present  
affords an outstanding career

ccessful candidate will probably be aged  
35 and already have had several years' experience with a confirming house, in the department of a major corporation or substantial trading enterprise. A comprehensive knowledge of ECGC insurance, external trade and medium-term business is a prerequisite, as is a high understanding of all aspects of shipping documentation and related accounting issues.

particular importance will be placed on a record of achievement and there will be ample opportunity to develop personal skills. A knowledge of one or more foreign languages as well as a willingness to travel will be additional recommendations.

ent salary and other benefits.

reply fully, in confidence, to:

The Managing Director  
S. Refson & Co. Limited  
1 Hobart Place  
London SW1W 0HU



**OOD, MACKENZIE & CO.  
YSTS — CONSUMER GOODS**

ackenzie & Co. wish to develop further their specialist in the Tobacco, Beer and Food Manufacturing. Applications are invited from candidates with experience of investment analysis in these or comparable fields: in a financial or business background in one of the following industries are also invited to apply.

ion to basic salary the firm operates profit related and contributory pension schemes. Location: London.

Ian McLean,  
WOOD, MACKENZIE & CO.  
Erskine House,  
68-73 Queen Street,  
Edinburgh EH2 4NS

**EURODOLLAR  
BOND TRADER**

ajor U.S. investment bank requires a Eurodollar bond trader with professional trading experience. Working knowledge of a foreign language is desirable.

Salary will be negotiable according to experience.

se write to Box A.5873, Financial Times, 10 Cannon Street, EC4P 4BY.

**Hoggett Bowers**  
Executive Selection Consultants

**Chief Legal Adviser**

London. £12,000 + bonus + car.

Our client is the successful and rapidly expanding UK subsidiary of a major international corporation. They are engaged in the music, entertainment and consumer goods industries and their current turnover is in excess of £50 million.

The nature of the business requires the legal function to adopt a high profile in providing constructive and innovative legal advice for the commercial, as well as the administrative activities of the company, with particular emphasis on contractual and statutory aspects. Reporting directly to the Managing Director, this new appointment will provide this service for all departments.

Candidates must be qualified solicitors or barristers with experience within a large organisation. The need is for someone who is tactfully aggressive and has respect for, but is not subservient to, convention. Preferred age is 35-45.

G.E. Forester, Ref: 18098/FT

Male or female candidates should telephone in confidence for a Personal History Form to:  
LONDON: 01-734 6852,  
Sutherland House, 5/6 Argyl Street, W1E 6EZ.  
Offices also in Birmingham, Glasgow, Leeds, Manchester, Newcastle and Sheffield.

**ASSISTANT  
GENERAL MANAGER  
PAISLEY  
BUILDING SOCIETY**

Our clients are a well established Building Society which provides a high standard of service to investors and borrowers throughout Scotland.

The Society wishes to appoint an Assistant with the ability to succeed the present General Manager who is due to retire towards the end of 1977.

Applicants, aged 35/45, should have sound commercial training, probably in the accounting or legal profession and the capability to manage a financial institution. Experience in building society management would be an advantage. The successful candidate, male/female, will be expected to participate in local business and social activities whilst maintaining a positive interest in Scottish housing matters.

The commencing salary will be in the region of £5,000. Other benefits will include a company car, low interest mortgage facilities, non-contributory pension and free life assurance. Assistance with relocation expenses is available if required.

Please send concise chronological details of age, training and experience, quoting GM/102, to:  
Brian Jones,  
Thornton Baker Personnel Services Limited,  
112 West George Street,  
Glasgow G2 1QF.

No details will be disclosed to our clients without the candidates' express permission.

**Solicitor or  
Barrister for  
Middle East**

CITY OF LONDON solicitors require a young solicitor or barrister for their Gulf offices. Length of service will be negotiable and preceded by a period spent in the City to acquire knowledge of clients and practice. Preference will be given to applicants with experience in banking and/or other international company and commercial work. It would be an advantage to have lived abroad. Salary and terms (tax free in the Gulf) will be competitive and commensurate with position and experience.

Please apply with full curriculum vitae, quoting Reference 929.

Leslie Coulthard Limited  
30 Farringdon Street, London EC4A 4EA.

**Executive Search  
Consultant**

with a successful record in the business and a promising client list, who would like to join forces, in a new venture, with someone similarly qualified.

Please write in complete confidence to  
Box A.5863, Financial Times, 10, Cannon Street, EC4P 4BY.

**SENIOR  
BANKERS  
£5,500**

An as yet relatively small international bank, seeks 2 generally capable and experienced people to fill key roles in its development programme.

In both instances, the need is for good general banking experience in one, a knowledge of computer systems is important. Aged 35-45.

Telephone John Colverton, A.I.B.,  
on 81-405 7771  
DAVID WHITE ASSOCIATES LTD.

**EXPERIENCED  
MONEY MARKET  
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for established house.  
Salary and bonus negotiable.  
Write Box A.5887, Financial Times  
10 Cannon Street, EC4P 4BY

**APPOINTMENTS  
WANTED**

**PRODIGAL RETURNS  
SUCCESSFUL**

1. O.E. Comm. exec. admt. City location, built up (and sold) W. London electrical engineering manufacturer, co. m. profitable £1.5m. co. responsible £1m. export sales. technical organization. commercial/procurement or similar offering unusual interest/scope. Capital. Write Box A.5872, Financial Times, 10 Cannon Street, EC4P 4BY

**MULTILINGUAL  
FUND MANAGER**

(32 years) with city/industrial experience seeks challenging in city/industrial opening in W. Europe

Write Box A.5876, Financial Times  
10 Cannon Street, EC4P 4BY

**INTERNATIONAL  
CHALLENGE**

Experienced Manager (39) seeks a new major challenge in International Markets with a progressive Company. Short term assignments also considered. Please reply Box A.5885, Financial Times, 10, Cannon Street, EC4P 4BY

**MERCHANT  
BANKER**

33. O.H. Owen, M.B.A., languages: City, European and Far East experience seeks challenging new opening abroad, preferably Far East or Latin America. (W. Europe) Write Box A.5886, Financial Times, 10, Cannon Street, EC4P 4BY

J.P. Philpot LTD

**Credit Analysts**

£5500

**Major International Bank**

Our Client, a significant influence in International banking, attaches great importance to the activities of its Credit department which is regarded as expert and highly professional.

Reorganisation and an ever-increasing volume of business create the need for 2/3 qualified bankers in their 20's, with a minimum of two years' in-depth experience of credit analysis, ideally gained in an American or Merchant bank. Suitable candidates will respond to the challenge and demands inherent in a position calling for standards of high quality in both research and analytical ability. Career prospects will be most attractive to those with a suitable blend of attitude, experience and development potential.

Contact Norman Philpot in absolute confidence  
on 01-405 3499

**Lloyd Executive**

Brownlow House, 50-51 High Holborn, London WC1V 6ER Tel: 01-405 3499

**Hoggett Bowers**  
Executive Selection Consultants

**Managing Director**

negotiable salary

Due to his contribution to its success, this company's Chief Executive has gained a senior appointment with its American associate. The impetus now must be maintained by further developing product diversification, export markets and additional manufacturing facilities. The company manufactures and distributes a wide range of ladies' toiletries and accessories, employs 400 and has a turnover of £6 million.

Candidates must be graduates, aged 35-45, who can offer the entrepreneurial flair, the sophisticated management and marketing skills and the capacity for sheer hard work on which the company's success has been built. Salary and fringe benefits are negotiable, however, it is unlikely that anyone earning less than £12,000 will have the adequate experience. Please submit full CV indicating major achievements and current remuneration.

R. D. Howgate, Ref: 27029/FT

Male or female candidates should apply in confidence to:  
MANCHESTER: Sun Life House, 3 Charlotte Street,  
M1 4HB. Tel: 061-236 8981.  
Offices also in Birmingham, Glasgow, Leeds, London,  
Newcastle and Sheffield.

**ARAB DEVELOPMENT  
& INVESTMENT COMPANY  
JORDAN**

(Capital: 2 Million Jordanian Dinars)

seeks the services of a general manager and a financial manager. Candidates must be aged between 35 and 50 years. Must have university degrees and extensive general business experience at managerial level.

Salary according to qualifications & experience.

Applications will be treated in strict confidence. Candidates fulfilling the above conditions may send their applications (from any part of the world) by airmail to the undermentioned address:

c/o P.O. BOX 34072,  
ODAILIYAH,  
KUWAIT.

**Assistant  
Chief Dealer**

An expanding international consortium bank in the City is seeking an experienced foreign exchange dealer to act as deputy to their Chief Dealer.

This is a senior position: the commencing salary and benefits will be appropriate.

Applications will be treated in strict confidence.

Please write in the first instance stating age, qualifications and experience to:

Mr. E. Cotter  
GOLLEY, SLATER & PARTNERS LIMITED  
42 Drury Lane, London WC2B 5RN

**J.F.L. CITY OFFICE**

247 1338

BANKING ADMINISTRATOR to look after mortgages, pensions, insurance etc. for staff, to budget departmental costs & generally assist in day-to-day running. Merchant banking experience essential. £2,450-£2,800-£3,200.

FUND MANAGER'S ASST. Young economics graduate trainee with more than average interest in investment for elite team. £2,500-£2,800.

INSTITUTIONAL SALES. Young person to join existing team at lower end. Must have experience in sales. £1,800-£2,000.

MANAGEMENT SERVICES SUPERVISOR. Numerate graduate with statistical, calculating, written, budgeting and supervisory abilities. £2,000-£2,200.

ECONOMIST required to regular report writing & forecasting on World economic trends, mainly developing & market sectors for well-established consultancy. Early 20's £1,800-£2,000.

BUSINESS ANALYST. Young Applied Economist for strong marketing and planning dept's of 2 large public companies. £4,000-£5,000.

Ring or send C.V. to:

Judy Farquharson Ltd,  
7 GRESHAM STREET, EC2.

**ADVERTISEMENT  
REPRESENTATIVES**

The FINANCIAL TIMES is recruiting additional advertisement representatives, 25-35 years old, with at least five years' experience in advertising.

Successful applicants will be based in London and will have opportunities for extensive foreign travel.

Salary negotiable.

Applications should be made in writing to A. Barbieri, Personnel Manager.

**FINANCIAL TIMES**  
EUROPE'S BUSINESS NEWSPAPER

Bracken House, 10 Cannon Street

London EC4P 4BY

**STOCKBROKERS**

Private clients department have vacancy for assistant to a Partner. Experience and ability to handle clients' Portfolios without constant supervision essential. Interesting opening for right candidate.

Please write fully to Box A.5875, Financial Times

# ACCOUNTANCY APPOINTMENTS

## CHARTERED ACCOUNTANTS

We are looking for chartered accountants, age 27-34, resident in London or Home Counties, with first-class academic records and at least three years' industrial or commercial experience.

We are a well-established and expanding management consultancy firm linked with seventy firms of accountants in U.K., Ireland, Holland and Switzerland. We undertake the full range of management consultancy work, with particular emphasis on top level corporate planning advice, profitability and feasibility studies, reviews of management organisation structure and development of information systems.

We have a first-class working atmosphere and offer starting salaries between £6,000 and £8,500, with regular reviews. We also have a profit sharing scheme. There are opportunities for work overseas, particularly for French and German speakers, and excellent prospects for progression within the firm or for moving back to commerce at a high level.

Apply in confidence, giving full details of career to date, including salaries earned, to Mr. C. H. Brown, Amman Impex, Menzies, 4043 Chancery Lane, London, WC2A 1JJ, quoting reference E 52.

A.I.M.

## A Leading Merchant Bank

are looking for an exceptional, recently qualified accountant.

Reporting directly to the Chief Accountant, this post will offer a broad range of duties with an emphasis on tax matters.

Long-term opportunities are excellent for the right applicant. Age early to mid twenties. Salary is unlikely to be a limiting factor.

Telephone 01-283 3881 quoting ref. C.F.H.

DUKES CAREERS

21 Liverpool St., E.C.2.

## CHIEF ACCOUNTANT ENGINEERING/CONSTRUCTION TO £7,000 LONDON

Fluor Ocean Services is actively involved in the engineering and construction of off-shore facilities on an international basis. The London office of Fluor Ocean Services supervises major construction projects in Europe, the Middle East and Africa.

As part of a planned development programme, the company now wishes to recruit a Chief Accountant to assume responsibility for all phases of accounting including job cost systems and reporting, billings and invoicing, EDP accounting and office administration.

We are looking for a Qualified Accountant, probably aged between 27 and 33, with three to five years' relevant experience, acquired in engineering/construction or the petrochemical industry.

We offer an attractive starting salary of up to £7,000 per annum together with the benefits to be expected of a major company including a profit share scheme and assistance with relocation.

Write, or better still, telephone Brian McIntosh, Personnel Officer, Fluor Ocean Services, 32 City Road, London EC1Y 2BD. Tel: 01-628 9006.

FLUOR OCEAN SERVICES  
01-628 9006

## Financial Analysis/ Banking Operations £5,000 + benefits

Our client, a major US international bank, is looking for a recently qualified accountant to join their Management Accounting department in London.

You should have some experience of auditing or banking investigation, and you will be primarily concerned with profitability analysis of internal banking operations and the preparation of management reports. You will also undertake specialist studies requiring the application of computer models, and the development of advanced profitability analysis techniques.

In addition to an excellent salary, you will enjoy a substantial range of benefits including a bonus scheme, preferential mortgage facilities and a company pension scheme.

This is an excellent opportunity for a young man or woman to achieve significant career development with a progressive financial institution.

Please write with full career details to W.C. Offord at the address below, quoting ref: FAVT/1. List separately any companies to whom we should not forward your reply. All replies will be answered.

**B&B**

CONFIDENTIAL REPLY SERVICE  
Benton & Bowles Recruitment Limited,  
197 Knightsbridge, London SW7.

## Director of Finance

for the European group of companies which is part of a fast-growing, profit-generating enterprise with sales topping £500 m. worldwide. As chief of staff to the group's managing director he or she will work on the development of growth and profitability plans and policies; and will effectively control all accounting functions in the manufacturing and sales subsidiaries whose present earnings have passed £40 millions.

He or she will be a chartered and/or cost and management accountant well grounded in the financial control of small to medium sized engineering companies, preferably in the context of a multinational operation. Obviously he or she will be experienced in the use and interpretation of financial data, profit forecasts, cash flows and the fiscal and secretarial functions. He or she will be in the later forties, possibly French speaking, have a mid-atlantic outlook and derive job satisfaction from a staff role carrying management influence. Those interested should put their case on one sheet of paper and send it in confidence to Mr. Smith.

basic salary of £11,000

J.G. Smith & Partners  
21 Princes Street, Hanover Square,  
London W1R 7RG.

John G. Smith

## Hong Kong Mass Transit Railway Corporation

The Mass Transit Railway Corporation has been established to construct and operate an underground railway system in Hong Kong. Construction work on the initial system of 15.5 km is well underway and it is envisaged that it will be fully operational early in 1980. With the initial system having been successfully launched, consideration is being given to the development of the Metro including planning and evaluation of extensions. Partly to take account of this development and partly as a result of organisational review, a senior post of

### Deputy Chief Accountant

(Ref. 1034)

has been created in the Finance Division of the Corporation with responsibilities including:

(a) Co-ordinating both short-term and long-term financial planning from a corporate standpoint and developing programmes for preparation, presentation and interpretation of the Corporation's financial forecasts and budgets.

(b) The development and continuous review of an integrated accounting and management information system.

(c) The development and maintenance of appropriate systems for evaluating and controlling capital projects.

(d) The development and supervision of financial planning for estate development.

(e) Feasibility studies for future extensions including integrated

project evaluation, cost/benefit analysis and calculation of return on capital for the extension as well as for the system as a whole;

(f) analysis of probabilities of critical factors falling in given ranges on cash flow studies of future extensions to affect the project as a whole.

(g) Strategic planning for fare and other revenue having regard to present and future rates of inflation in Hong Kong and future of surface transport facilities.

These tasks will involve close collaboration with staff in Divisions.

Candidates should preferably be over 35 years of age, must be a member of a recognised professional accountancy body. A minimum of 8 years proven experience at appropriate level in commerce and industry, or in public service including experience in project evaluation, revenue forecasting will be essential. The successful applicant will have to be self-motivated, capable of working with professional staff and able to deal with all levels of management.

Appointment will be on attractive terms which reflect the significance of the task including a salary plus HK Dollars which at an exchange rate of HK\$8 to the £ will be the equivalent of £13,900. Additionally, a gratuity will be paid and excellent fringe benefits including accommodation, medical, education allowances, 22 days home leave for each year of service and passage. To Hong Kong is currently at 15% maximum.

Applications giving relevant details and contact telephone number and quoting the reference on the envelope should be addressed to:

Mr. A. M. J. Wright

Hong Kong Mass Transit Railway

Appointments Unit

26 Victoria Street (South Block)

London SW1H 0EC

## Financial Controller

To £8,000+Cs

Reporting to the Managing Director, you will be responsible for all accounting, control of finance, administration, and company secretarial matters. We will also play an important part in the development of the Group.

This is a position with prospects of long-term development and job satisfaction. The rewards are described as attractive to a mature, personable accountant to include pension and life assurance arrangements, company car.

Please contact Peter Wilson, FCA, in the strictest confidence, on 01-499 4879.

## Management Appointments Limited

Albemarle House 1 Albemarle Street, London W1.

## CONTRACTS AND TENDERS

### PUBLIC WORKS DEPARTMENT - AB UNITED ARAB EMIRATES

### ABU DHABI POLICE HEADQUARTERS PROJECT

The Public Works Department for Abu Dhabi invites international building contractors their interest in being prequalified to the DHAIBI POLICE HEADQUARTERS project. This is a complex of buildings, covering construction area of 21,500 sq. m. to be on site of approximately 50,000 sq. m. to be located near the airport road (between the town centre of Abu Dhabi and the airport). The complex is composed of the basic components:

1. Headquarters Building: Generally 2-level buildings, construction area of approximately 5,000 square metres including:

- (a) General Administration
- (b) Technical Sections
- (c) Library
- (d) Assembly Hall

2. Barracks: Two-level buildings covering a construction area of approximately 4,000 sq. m. including all facilities.

3. Forensic Laboratory: Six-level building covering a construction area of approximately 5,750 sq. m. including:

- (a) Administration
- (b) Technical Sections
- (c) Assembly Hall

4. General Services Buildings: Covering a construction area of approximately 1,500 square metres.

5. Fence and Entrance Gates

6. Landscaping and Car Parks

Prequalified contractors will be invited to tender documents by the end of May 1977. Prequalification questionnaire interested in requested to apply in writing to:

KHATIB & ALAMI  
(Consolidated Engineering Co.)

Abu Dhabi Office: P.O. Box 2732 Tel: 47400

Dubai Office: P.O. Box 5091 Tel: 222074

Tel: 5725 DB

Sharjah Office: P.O. Box 688 Tel: 24144

Quotations must be returned by 12.00

17th April 1977

MOHAMMED ALI  
PUBLIC WORKS DEPARTMENT

A major Service and Commercial Group with international interests and operating widely within the UK is seeking a

## GROUP FINANCIAL CONTROLLER c. £12,000

The Group is entering a period of considerable growth through acquisition, and candidates should have experience in such an environment.

A strong Management Accountant is sought who has gained good experience within more than one well-known company and who has been exposed to the management of Group operations through the use of computers and financial models.

It is expected that the successful candidate could become Finance Director or move into General Management after a few years. Location — The City. A car will be provided.

Please send full details, mentioning reference Y.G. to:

Christopher Gold at:

Executive Dynamics

23a High Street, Hemel Hempstead, Herts.

This vacancy is open to male and female applicants. All letters will be treated in strict confidence, and no details will be passed to our client without prior permission.

## Chief Accountant/Director of Finance Designate HOUSING ASSOCIATION

£6,000-£7,000

The Orbit Housing Association Group require a qualified accountant to lead the accounting functions. The position carries responsibility for further establishing and developing the group's financial reporting and dealing with secretarial matters. The group is in a period of rapid expansion.

The successful applicant will initially act as chief accountant and will be expected to act as director of finance within twelve months.

Other benefits include the provision of a car and suitable pension arrangements.

Apply in writing to:

C. L. BARNES, 22 QUEENS ROAD, COVENTRY.

## COMPANY NOTICES

BRASCAN LIMITED  
(Incorporated in the U.S.A. under the laws of the State of New York)

NOTICE IS HEREBY GIVEN that the Board of Directors of this Company, has declared a dividend of \$1.51 cents per share on the Common Stock of the Company.

Dividends will be paid on or about March 31, 1977.

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## BRITAIN AND RAW MATERIALS

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butter sales in EEC

BY RICHARD MOONEY

THE EEC butter mountains  
should be disposed of through  
sales at "really low prices" in  
the Community rather than by  
subsidising exports out of the

Common Market, Mr. Pouls

Dalsager, Denmark's Minister of

Agriculture, said today.

The Minister told British  
journalists here that such a  
move would boost EEC butter  
consumption. But he thought the  
milk price freeze in the EEC  
Food Price Review — though  
economically justifiable — was

"perfectly unacceptable."

In the longer term the payment of  
non-delivery premiums to milk  
producers could relieve the  
EEC's dairy surplus problems.Mr. Dalsager thought the  
Council of Agricultural Ministers  
was unlikely to reach a solution  
on farm prices this weekend."But if we do reach agreement  
it will probably be on lines  
similar to those proposed by the  
Commission."

He suggested, however, that

the average rise should be a  
little higher than the 3 per cent  
proposed by the Commission and  
that Britain could be allowed  
certain consumer subsidies inreturn for a devaluation of the  
"green pound."Mr. Dalsager was unequivocal  
in his opposition to Britain's  
50p a score (20 lbs) producer  
subsidy on pigs. This measure  
constituted "unfair competition"  
as well as being illegalunder Community rules. The  
proper solution to the problems  
of British pig farmers must be  
to reduce the Monetary Compen-  
satory Amount on pigs by de-  
valuing the "green pound."The U.K. pig subsidy was also  
attacked by Mr. H. O. A. Kjeld-  
sen, president of the Federation  
of Danish Farmers' Unions and  
Mr. S. Dyrlof Madsen, managing  
director of ESS-Food (the Danish  
bacon factories' export associa-  
tion).Mr. Madsen said calculations  
based on the third week in  
January (before the subsidy was  
introduced) showed pig produc-  
tion was more profitable for U.K.  
farmers than for their Danish

counterparts.

Despite higher prices and the  
effect of monetary and transi-  
tional compensatory amounts, the  
average net return to Danish pig  
farmers was only 61p per pig

fewer were in effect.

The committee sent an  
urgent request for the in-  
dustry's views on the pro-  
posals, which will be discussed  
in Brussels at the end of the week-end.Few doubt that if Rhodesia  
has not already found other  
outlets for its chrome, it will  
be able to, as it has done for  
most of its other exports in the  
past 12 years.It has various alternatives.  
Although the exceptionally high  
quality of Rhodesian metallurgicalgrade chrome makes it  
easily identifiable, it can be  
disguised by blending it with  
other ores in the production of  
ferrochrome and charge chrome.  
The obvious source of help is  
South Africa, which not only  
supplies a quarter of world  
ferrochrome exports (about  
850,000 tonnes) but has substan-  
tial new smelting capacity  
coming on stream soon.Few doubt that if Rhodesia  
has not already found other  
outlets for its chrome, it will  
be able to, as it has done for  
most of its other exports in the  
past 12 years.The major reason why  
chrome consumers can shun off  
the new ban is that demand for  
both chrome ore and metal, like  
other minerals used by the steel  
industry, is in the doldrums.The depressed metallurgical  
industry accounts for about 65  
per cent of total demand for  
chrome, whose main users are  
in the manufacture of stainless  
and alloy steels, for electroplat-  
ing and as a binding agent in the  
production of refractories.U.S. imports of chrome in the  
first nine months of last year  
were 11 per cent less than in the  
same period in 1975. Commercial  
stocks increased from about  
655,000 tons in the first quarter  
to 724,000 tons in November.A sign of the slack demand for  
chrome in other industrial coun-  
tries is that American imports of  
low-carbon ferrochrome from  
Japan — normally a relatively un-  
important supplier — were threetimes higher in the three months  
to last November than purchases  
from South Africa, usually the  
principal source. European stocks of  
ferrochrome are believed to  
cover almost a year's consumption.In the long run the South  
Africans, Russians and whoever  
may govern Rhodesia can com-  
fort themselves with the knowl-  
edge that they control almost  
all the world's known reserves  
of chrome ore. Of these total  
reserves estimated at 5,407 m.  
tonnes, 74 per cent are in South  
Africa, 18 per cent in Rhodesia  
and nearly 3 per cent in the  
Soviet Union.

## U.S. farm stabilisation plan

BY DAVID BELL

MR. BOB BERGLAND, the U.S.  
Agriculture Secretary, to-dayunveiled the Carter Administra-  
tion's four-year Farm Stabilisa-  
tion Bill after last-minute pressure  
from the White House forced

him to scale down support rates

for some crops.

Mr. Howard Hjort, the Agri-

culture Department's chief

economist, said the purpose of

the Bill was to protect farmers

from disastrous price declines in

surplus years but also to try to

find a way to prevent price rises

of the kind that occurred in

the early 1970s. The purpose of

the Bill was to level off peaks

and troughs.

The secretary proposed that the

support level reduced.

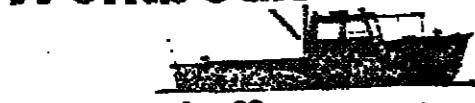
The secretary proposed that the&lt;/div











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Thursday March 24 1977

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## Steel chief plans to reshape Board

BY ROY HODSON

CIVIL SERVANTS will be invited to join a reconstituted British Steel Corporation Board if Sir Charles Villiers, chairman of the Oil Corporation Board, is allowed by the Government to make fundamental changes in the British Steel main board "to welcome their presence on the British Steel main board" to allow a continuing dialogue between Government and the corporation.

**Vacant seats**

If the Government approves it is likely that at least two civil servants would be appointed to the British Steel Board and at least one would be from the Department of Industry, the sponsoring Ministry for steel.

A year after being selected to run the nationalised steel industry, Sir Charles is revealing his basic management strategy which he cleared with the Government before accepting the corporation which is inquiring into the corporation.

Half the British Steel Board seats will be available for new appointments shortly. Three long-serving executive members, Lord Layton, Mr. Lionel Pugh and Mr. Ron Smith, are retiring between April and August.

Sir Charles has been im-

pressed by the experiment of inviting more steelworkers and union officials on to his main Board.

Sir Charles plans to reshape the Board from an executive body into a purely policy-making body. The day-to-day running of the corporation would be the responsibility of Mr. Bob Scholten, the select committee he would welcome their presence on the British Steel main board "to welcome their presence on the British Steel main board" to allow a continuing dialogue between Government and the corporation.

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## Queensland mines cannot fulfil uranium contracts with Japan

BY JAMES FORTH IN SYDNEY AND PAUL CHEESEWRIGHT IN LONDON

JAPAN'S nuclear power industry has suffered its second setback this year in its attempts to secure a free flow of imported uranium.

Queensland Mines, which owns the Nabarlek uranium deposit in Australia's Northern Territory, has declared force majeure on one 1977 supply contract. It will shortly declare force majeure on another.

Under the first contract Queensland Mines was to supply 300 tons of uranium oxide to Shikoku Electric Power, and under the second 100 tons to Kyushu Electric Power. Japan's total 1977 requirement was put by the nuclear industry at 2,200 tons.

Exports to Japan from Canadian producers were frozen at the beginning of the year, when a deadline imposed by the Canadian Government for the signing of a nuclear safeguard treaty with Japan was passed. Shikoku and Kyushu operate

in the south of Japan. The Kyushu area is a centre of the steel industry. Both concerns are thought to provide about 15 per cent of their electricity from nuclear stations. It is unlikely that they have large uranium stockpiles.

Supplies are available from South African mines, but the spot price for uranium oxide is now around \$40 a pound—over five times the prices in Queensland Mines contracts, signed in 1972, which ranged from \$6.50 to \$8.50.

The absence of an Australian uranium mining policy has delayed production at Queensland Mines. It had expected to meet its commitments from the Australian Government stockpile on what it called "appropriate terms."

Successive Australian Governments have said that existing export commitments would be honoured.

The company blames its present situation on the Government.

## Bonn cuts estimate of nuclear contribution to energy needs

BY NICHOLAS COLCHESTER

THE WEST GERMAN Government has revised downwards its long-term projections of the contribution which nuclear power will make to the country's total energy needs.

The Government to-day reaffirmed its commitment to the use of nuclear power, but said that the planned nuclear contribution towards total energy consumption by 1985 was expected to be 30,000 MW or 13 per cent of the total.

This compares with an earlier target of 15 per cent.

The projections, however, come at a time of paralysis for the West German nuclear programme, which threatens to sink the latest energy plan even before it has been officially launched.

Even the reduced target may be difficult to achieve unless the legal obstacles in the way of the nuclear power station programme are removed quickly.

Plans to build two nuclear power stations—one at Brokdorf on the Elbe estuary and a second at Wyhl in south-west Germany—have been suspended following court orders.

The court actions are linked to an important reassessment of the role of nuclear energy in Germany resulting from a

sharp increase in public opposition to this form of energy on safety and environmental grounds.

Herr Hans Friderichs, the Economics Minister, presenting the new plans, explained that if only 20,000 MW of nuclear capacity were operating by 1985 the result would be an electrical power shortage within five years of that date. Nuclear power capacity in West Germany is 6,400 MW at present.

It is because no site yet exists for the reprocessing and disposal of German nuclear waste that the nuclear programme has been stopped in the courts.

The Government intends to separate the issue of permits for atomic power stations from that of reprocessing and disposal. It will also see what can be done to speed up the legal procedure.

**Role of oil**

On the basis of such far-reaching projections, and because electricity consumption is expected to grow almost twice as fast as energy consumption as a whole, the Bonn Government will make every effort to get the controversial problem of nuclear fuel of this year.

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## Weather

U.K. TO-DAY

Occasional rain.

London, S.E., Cent. S. England  
Showers or longer outbreaks,  
bright intervals later. Max SC (45F).

E. Anglia, Midlands, Wales

Outbreaks of rain. Max 7C (45F).

E. Cent. N., N.E. England

Periods of rain, wintry on high ground. Max SC (41F).

Channel Isles, S.W. England

Showers. Bright intervals.

Max SC (45F). N.W. England, Isle of Man, S.W. Scotland, Glasgow, Argyle, N. Ireland.

Outbreaks of rain or drizzle, hill fog. Max SC (43F).

Borders, Edinburgh, Dundee, Aberdeen, Cent. Highlands.

Periods of rain or drizzle, winter on high ground. Hill fog. Max SC (41F).

Moray Firth, N.E., N.W. Scotland, Orkney, Shetland.

Occasional rain, bright intervals. Max SC (43F).

Outlook: Rain at times, becoming mainly dry in Cent. S. districts. Rather cold in N.

## BUSINESS CENTRES

U.K. TO-MORROW

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Showers or longer outbreaks,  
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